

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL BUSINESS

Space crews set for link-up

Three U.S. astronauts last night rocketed into space from Cape Canaveral, Florida. They are due to catch up and dock with Russia's Soyuz 19 spaceship on Thursday.

After world television viewers had watched a Soviet space launch for the first time, the two Russians reported all was well, took off their space suits and had chicken for lunch in orbit 116 to 137 miles above the earth.

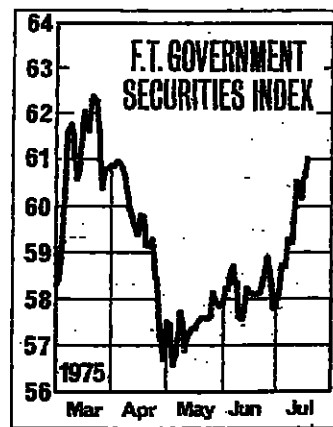
Following Thursday's docking over the West German sea, Gen. Thomas Stafford, the U.S. commander, is due to "float" through an airlock and shake hands with Soyuz commander, Col. Alexei Leonov.

President Ford watched the Soviet blast-off together with Mr. Anatoly Dobrynin, Soviet Ambassador to Washington who said it was "like seeing science fiction become fact." Mixed feelings in U.S. Page 5

Equities gain 7.2 as gilts rise 0.56

● **EQUITIES** staged a technical rally, accentuated by an acute shortage of stock. The FT 30 share index rose 7.2 to 312.7. Sectors improved after recent weakness on profit margin fears, with the FT-Accumulated Index for the sector up 4.5 per cent. to 104.45. Gold Mines index lost 7.7 to 363.1.

● **GILTS** made impressive gains—up to a point in mediums and



Jenkins acts on Police complaints

The Government is to set up an independent Commission to examine serious complaints against the police. Mr. Roy Jenkins, Home Secretary, told the Commons. Legislation is expected to be introduced in the next Parliamentary session and the Commission may start work next year.

Saigon seeks UN membership

The Provisional Revolutionary Government of South Vietnam has applied for membership of the United Nations. Election to the UN by a majority vote of the General Assembly following recommendation by the Security Council.

Drink-drive crackdown

Stricter laws aimed at drinker-drivers were foreshadowed yesterday by Dr. John Giffert, Transport Minister, during a visit to the Government's Tarnworth, North, Midlands, driving examination centre. Page 10

Angola airlift

Portugal flew reinforcements to Luanda yesterday in two Boeing 707 transports as fighting continued between rival Angolan liberation movements. Lisbon political crisis, Page 6

Lads agree terms

Newmarket's 180 striking stable lads last night voted in favour of a pay formula giving them a weekly rise of £3.40. They will return to work on Friday providing the trainers agree not to refuse reinstatement to any striker. To-day's racing, Page 20

Enter Greig

Tony Greig, 28-year-old 6 foot 7 inch South African-born captain of Sussex, is to lead England in the next three cricket Tests. Trevor Bailey, Page 20

Baton for Amin

The Uganda army yesterday promoted President Amin from General to Field Marshal in recognition of his success in unifying the country.

Warm and wet

Warm and sunny weather interspersed by short spells of rain and thunder is forecast by the Meteorological Office for the next 30 days. Temperatures are expected to be generally above average. Page 9

Briefly...

Thousands of sea birds, many of them newly hatched Gullinots and Razorbill chicks, are threatened by North Sea oil slick control experiments, the Royal Society for the Protection of Birds claimed.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Treasury 7 1/2% 1985...	172 1/2	+ 1
Treasury 12 1/2% 1985...	294	+ 2
Barclays Bank...	288	+ 11
Boots...	280	+ 11
British Home Stores...	282	+ 14
Cavenham...	129	+ 5
De La Rue...	181	+ 7
Empire Stores...	117	+ 3
Furness Withy...	248	+ 15
General Accident...	144	+ 6
Gilbey...	338	+ 13
Gold Fields Prop...	97	+ 10
GNV...	123	+ 10
GNV...	222	+ 7
HAT Group...	47	+ 3
Hawker Siddeley...	266	+ 10
Land Secs...	179	+ 7

Lovell (G. F.)...	210	+ 2
M&P...	110	+ 7
Marks & Spencer...	103	+ 9
Nat. Westminster Bk...	226	+ 11
Peachey Prop...	26	+ 4
Racal Elect...	300	+ 11
Rank Org. "A"...	153	+ 6
Thorn Elect...	158	+ 6
Unilever...	380	+ 12
BP...	548	+ 15
Tricentrol...	68	+ 8
Yukon Cons...	70	+ 8

Birmingham Post...	15	- 5
Clough (A.)...	65	- 15
Nat. Carbonising...	38	- 4
Wells Nat. Resources...	70	- 4
Berall Fin...	11	- 2
East Drie...	970	- 30
Marivale...	380	- 20
Pancontinental...	440	- 20
Venturespost...	540	- 60

Whitehall forecasts rise in jobless to 1 1/2m. next year

BY SAMUEL BRITTAN

A new official economic forecast shows unemployment reached about 1 1/2m. in the course of 1976, instead of the 1m. forecast by the Chancellor in his Budget speech. This Whitehall forecast is on a seasonally-adjusted basis, confined to G.B. wholly-unemployed.

Although the normal July forecasts have still to be finalised, some estimates put the likely range of the crude figures for all unemployed in the U.K. at between 1 1/2m. and 2m. in 1976. Meanwhile, the registration of students and school leavers is likely to take the crude U.K. unemployment figures up to 1m. this July or August. The figure for June was 848,000 and the July figures are due to be published a week to-morrow.

In view of the rate of inflation and the state of sterling, the Chancellor does not believe that he can stimulate the domestic economy for the time being apart from minor palliatives such as the temporary employment subsidy. The date for the much promised upturn in world trade is being constantly shifted further ahead.

The incomes policy measures will have little direct effect on unemployment, according to conventional forecasting methods. But the fear in Whitehall was that unemployment would have soared above the forecast total because U.K. goods might well have priced themselves out of both world and British markets. It has hitherto been official policy to allow sterling to depreciate to offset differences in international inflation rates.

Several options were examined by economic Ministers and

NUR to back £6 limit after defeat of Left

BY JOHN WYLES, LABOUR REPORTER

THE GOVERNMENT'S new anti-inflation pay policy passed its first test of rank-and-file union opinion smoothly yesterday when National Union of Railwaymen leaders overwhelmingly defeated a Left-wing call to reject any cuts in workers' living standards.

This substantial boost for the infant policy of limiting pay rises to £6 a week was delivered by a more than three-to-one majority and followed a keynote speech here by Mr. Sidney Weighell, the NUR's new general secretary, to the union's annual conference.

In a passionate plea for maximum support for the "new contract" Mr. Weighell issued a strong warning of the threat posed by inflation.

After the delegates, who are all working railwaymen, endorsed his call by 59 to 18 votes, Mr. Weighell said the NUR, Britain's biggest railway union, would now back the £6 flat rate plan at the annual TUC congress in September.

With NUR's 173,000 bloc vote at the TUC in the bag, the Government may also take comfort from the tone of yesterday's debate which indicated a wide spread will to achieve the aims of the new policy and a grudging preparedness to stomach the means—a curb on wage increases.

But some of the enthusiasm may be due to the fact that only a month ago the NUR made a 30 per cent. pay deal which more than matched the rise in the cost

Hawker stake in U.S. group

BY LORNE BARLING

HAWKER SIDDELEY Group plans to acquire a share in the U.S. Onan Corporation at a cost of about £23m. and provide its own technology to build diesel engines for the rapidly expanding U.S. market, the company said yesterday.

The deal, announced yesterday, will give Hawker Siddeley a major foothold in the U.S. and, although the company said it would satisfy its immediate ambitions, the acquisition provides a base for further expansion, particularly for electrical products.

A range of Petter engines will be produced by the Onan Corporation and marketed to meet a rising demand attributed to the cheaper running costs of diesels when compared to widely-used petrol engines.

Onan currently manufactures electric power generation products and both petrol and diesel engines at its two factories with sales channelled through 90 domestic and 100 foreign distributors. Full production of Petter engines is expected to be achieved within five years.

Hawker Siddeley has agreed terms in principle with Studebaker-Worthington, the

200-mile Iceland fishing limit

BY MALCOLM RUTHERFORD

ICELAND will extend its fisheries limit from 50 to 200 miles from October 15.

The Icelandic government announced last night that all foreign vessels would be forbidden to fish inside the new limit, although Mr. Matthias Bjarnason, the Fisheries Minister, said afterwards that the government was ready to have discussions with other interested countries.

The decision was not entirely unexpected, after the failure in the spring of the UN Conference on the Law of the Sea to agree on a general move to 200-mile limits. The main interest now will be in which countries, if any, follow suit and act unilaterally. Norway is considered the most likely.

The Icelandic announcement was officially regretted by the Foreign Office in London, but at the same time a Foreign Office spokesman welcomed the assurance that there could be discussions on the application of the new regime.

Britain at present has a special agreement with Iceland allowing British vessels within the existing 50-mile limit, but this expires on November 13.

Talks on a new agreement had already begun and Mr. Geir Halgrimsson, the Icelandic Prime Minister, discussed the matter with Mr. Harold Wilson last month, having had an earlier meeting with Mr. Callaghan, the Foreign Secretary, in Brussels in May.

Pressure

Since most British fishing is concentrated within the 50-mile limit, the decision to go to a 200-mile limit is not unduly worrying provided the old agreement can be renewed. The Foreign Office last night did not see any immediate danger of a new cod war.

There is a wider danger, however, of other countries following Iceland's example. This could divert third-country fishing closed to British waters and increase the pressure of the British Government to declare a 200-mile limit of its own.

A statement from the British Trawler Federation (BTF) said the announcement came as no surprise. Mr. Austin Laing, the BTF director-general, said the U.K. was unlikely to recognise the limit on a unilateral basis but welcomed the Icelandic suggestion of discussions and said he hoped these would begin soon.

The U.K. fishing fleet includes 150 vessels concentrating on waters within the new "limit" which have no viable alternative in 1974 the U.K. catch in these waters amounted to nearly 130,000 tons—around 20 per cent of total British landings.

BP and Sohio seek \$1.5bn. for Alaska

BY GUY DE JONQUIERES IN NEW YORK AND MARGARET REID IN LONDON

AN IMPORTANT long-term financing arrangement has been made by the United States and British Petroleum and its Sohio (Standard Oil of Ohio) associate to raise up to \$1.5bn. (£685m.) towards the \$8bn. (£274bn.) cost of the Trans-Alaska pipeline.

An announcement is expected before the end of this week about the borrowing, which is from a range of institutions through a private placement, the largest ever made for any company.

The cash-raising will virtually complete arrangements for the provision of the sum of \$1.5bn. (£685m.) which BP and Sohio have together to put up for the Alaska pipeline.

The placement has been arranged under the lead of Morgan Stanley, the New York investment bank, on behalf of the two oil companies' joint U.S. financial concern, the BP Trans-Alaska Pipeline Finance Inc.

Lengthy

The finance is being raised for lengthy periods of 18 and 22 years, and the rate of interest is understood to be 10 1/2 per cent. Fixed throughout the term of the loan. A substantial number of U.S. institutional investors—led by Prudential Insurance—have participated, though some have preferred not to do so.

It is thought that an AA rating for the issue is contemplated by the usual agencies, Standard and Poors and Moodies.

The British Government owns 48.2 per cent. of BP's shares and another 20.5 per cent. is now held by the Bank of England, which bought it earlier this year from Burmah Oil.

BP and Sohio, in which it has a 25 per cent. stake, destined to rise to 54 per cent. when the Alaskan Prudhoe Bay oilfield is well in production, together have interests totalling some 53 per cent. in the Trans-Alaska pipeline project.

Two issues

Arrangements earlier made should assure BP and Sohio the rest of the \$8bn.-plus needed from them for finance of the pipeline scheme. Already in the last few months two bond issues, each of \$500m., have been made.

In addition, BP has arranged a \$350m. line of credit, and Sohio one of \$600m. Further recourse to the market could take place in due course, in the event of a need to add to some of this borrowing.

BP shares yesterday rose 15p to 548p.

For latest Share Index 'phone 01-346 8026

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LOMBARD

Gold price—the next question

BY C. GORDON TETHER

THE IGNOMINIOUS defeat of the American anti-lobby attempt to unnerve the world market with another auction of metal drawn from U.S. official reserves provides the clearest indication yet that the days of cheap gold are over for good—that a floor price close to the figure of \$170 per ounce at which the French revalued their stocks at the beginning of the year is in process of taking shape.

The big question now emerging is whether this is also likely to represent the effective ceiling for the foreseeable future or whether—with the risk of major downside movements receding—the demand for gold as a hedge against currency devaluation will show a sufficiently sustained expansion to set the market price on a steady climb.

The American Treasury tried hard to pass off the decision to organise a second gold auction as a reflection of their anxiety to reduce the pressures gold imports were imposing on the balance of payments. But everything about it suggested that the real purpose was to put a spoke in the wheel of those advocating a strengthening of the metal's monetary role by fomenting wide fluctuations in the market price.

If that was, indeed, the purpose, the event was totally counter-productive. The informal official twisting of market operators' arms which resulted in all but the boldest banks and bullion houses boycotting the January auction to such an extent that little more than a quarter of the 2m. ounces on offer was sold was not repeated on this occasion. Or, if it was, it proved quite ineffective. In consequence, the half-million ounces put up for sale at the auction were sold at a price which was only a few pence above the level of \$170 per ounce.

Two of the largest Swiss banks each submitted bids for an amount available. Since no institutions have a closer acquaintance with the realities of the gold scene than they do, the main effect of the affair was to demonstrate just how firm an undercurrent the market is developing at current prices.

The French went some way to laying the foundations for a floor price for gold when they decided to revalue their official reserves at a level of around \$170 per ounce earlier in the year.

It is true that this figure was merely the product of a formula whereby stocks will be re-

assessed every half-year on the basis of the average market figure ruling during the preceding months. But it seemed probable that, once having up-valued their reserves on the basis of the \$170 line, the French would see themselves as having an interest in ensuring that the world price did not fall far below that level.

The fact that, in the event, the market price has never dipped more than \$10 below this "barrier" and the outcome of the latest U.S. auction are bound to encourage the growth of the belief that we now have an effective floor for gold within relatively close distance of the \$170 level. Pointing in the same direction is the increasing evidence that a considerable latent demand for gold exists at this price in the sense that all shippers and others are willing to buy substantial quantities thereabouts if they can enter the market without forcing the price up against themselves.

That not only means that any new unloadings of U.S. metal would have to be of a very high order indeed to stand any chance of bringing down the world price—and it would seem that Washington's enthusiasm for demonstrating gold does not run to those lengths, it also means that a substantial proportion of newly-mined gold could be channelled into hoards without ever coming on to the market if the producers are willing to commit themselves to such arrangements.

The emergence of a tentative floor price has, of course, favourable implications for the future of gold inasmuch as it means that buyers are less likely to be deterred in future by the possibility of seeing the ground cut from under their feet by American official manipulation. Whether that means that the price will continue to rise depends, however, on a total number of factors—some of which are in the all but imponderable class.

It is conceivable, to begin with, that official behind-the-scenes activity will be aimed at establishing \$170 as a high as well as a low. Again, is the current world-wide tendency to see the inflation problem as receding likely to find expression in some falling off in enthusiasm for moving out of money into gold?

I notice that when he addressed himself to these questions in his recent annual statement, Mr. A. Schumann, the President of the South African Chamber of Mines, came to the conclusion that the net effect of all such influences would be to force the gold price upwards. His reasoning is not easily faulted.

SALEEROOM

BY ANTONY THORNCROFT

Collection of primitive African sculptures fetch £97,000

ONE of the spoils of war, a Benin bronze plaque with the figure of a warrior—acquired by a member of the Sussex Yeomanry who took part in the British punitive expedition to Benin, in present day Nigeria, in 1897—was sold at Sotheby's yesterday by a descendant for £5,000. It was among the items in a sale of primitive art, which is now attracting very high bids in the saleroom.

The top prices were paid during the disposal of the collection of 73 pieces of African sculpture gathered together by Mr. and Mrs. J. W. Gillon of New York. The collection was sold for £96,955, with two anonymous buyers each prepared to pay £20,000 for particular lots.

One, illustrated here, is a wood carving of a male figure probably made around 1880 by a member of the Luluwa tribe of the Congo region. The carving was used as a receptacle for medicines. The other object which sold for £20,000 was a wood "white faced mask" probably from the Bakota tribe, also from the Congo.

Iron staff

The sale had a mixed response, with the best objects selling well while the lesser works failed to move. One buyer who picked up a bargain was David Attenborough, whose television programme *The Tribal Eye* covers the same geographical ground. He bought part of an iron staff, used by a priest of a tribe in Mali, with the chance that the staff is a genuine antique rather than a modern work. It had been estimated at £200-£300.

Other good prices from the sale of primitive art were the £4,800 given for a Fang wood female reliquary figure and £4,600 for a very similar item. A Peruvian feather poncho, dating from Inca times, somewhere between 1450 and 1532, was sold for £1,700.

In marked contrast Sotheby's also disposed of the collection of English pottery gathered together by the late Sir Victor and Lady Gollancz. It totalled £87,945, with few pieces unsold. The best prices were for a 16th-century Staffordshire group of lovers, made around 1750; £3,600 for a rare slipware dish, probably made at the end of the 17th century by William Talor; and the £2,000 for a globular Wrotham Tyg, signed and dated 1703.

There were two more sales at Sotheby's yesterday, one of weapons, the other of 19th and 20th century letters and manuscripts. The weapons realised £21,684, with some modern 12 bore sporting guns by Boss, Harkon, and Purdy respectively selling for £3,400, £2,300 and £2,000.



A carved wooden figure, made in about 1880 by a member of the Luluwa tribe of the Congo region, which sold for £20,000 at Sotheby's yesterday.

Of more interest was the dispersal by Winston Churchill of some guns that belonged to his grandfather. Sir Winston Churchill. The highest price was the £750 given by the Imperial War Museum for a Canadian presentation rifle which Sir Winston received in 1914, and the £520 paid for a Lancaster sub-machine gun, inscribed with the words "We shall fight on the beaches".

There were very few unsold lots in the literary sale. The autograph manuscript of Disraeli's early novel *The Wondrous Tale of Alroy*, published in 1832, exceeded its estimate at £4,000, while the autograph manuscript of the first part of De Quincey's *Confessions of an English Opium Eater* went at the lower end of its estimate for £3,000. A manuscript with autographed revisions by Pablo Neruda, his poem *Canto General* fetched £1,700 (double

the forecast), and Barrie's manuscript of his early and unpublished play *Reckless*, £1,000. The marked upturn in prices in the salerooms in recent weeks was very noticeable at Christie's yesterday when a sale of silver and one of clocks and watches both exceeded expectations. The silver sale was particularly good, mainly because the items from two good private collections owned by English aristocrats.

The more important was the collection of 19th century silver and silver-gilt sold by Lord Barnard. Christie's reckoned it to be the best group to come on to the market since the dispersal of Billy Butlin's 19th century silver almost a decade ago. The second Duke of Cleveland fetched the highest price of the day, £26,000. This not only eclipsed the £15,000-£20,000 estimate but established a new record for a single lot of Victorian silver. The service had been made in 1842 by J. Mortimer and J. S. Hunt.

Other good prices were the £14,500 (forecast £8,000-£12,000) paid by S. J. Phillips for a pair of George III candelabra by Benjamin and James Smith, dated 1806, and standing 34 inches high; the £13,000 (£8,000-£12,000) for a pair of Regency two-handled wine coolers by Paul Storr, bought by a private buyer, who also acquired a set of four Regency wine coolers by Philip Rundell for £11,000; and the £3,400 paid by Kooipman for a George III epergne by Thomas Pinck.

The silver from the collection of the Earl of Radnor was less spectacular and made £34,950. Most of the buying was done by London dealers. In addition, Christie's held a sale of clocks and watches which realised £22,325. The top price was the £6,300 (well above forecast) for a month-long ebony longcase clock by Joseph Knibb.

An ornate piece of 19th-century furniture fetched the best price at Phillips' sale of furniture. It was a circular ormolu and porcelain table inset with Sevres plaques depicting Louis XVI and ladies at his court. It sold for £3,600 to General fetched £1,700 (double

GARDENS TO-DAY

Planning the use of colour

BY ROBIN LANE FOX

COLOUR MAY seem to be the last of a gardener's worries, for by the time he has cut the grass and ignored the weeds he is probably thankful for whatever turns up in his flowerbeds. This is a pity, because colour is much the most interesting worry.

It is many years since a book on colour combinations appeared among the flood tide of gardening literature. We have not gone far beyond the "principles" confidently and splendidly laid out by Miss Jekyll and her associates seventy years ago.

Agreement

In stylish gardens there is a general agreement that certain colours are admissible anywhere and that others must be excused or muted by admissible companions. Magenta is not mentioned in polite society, and yellow tends to be lemon. Green flowers, pale colours, white borders and lilac roses are regarded with great respect. It is often forgotten that even Miss Jekyll massed French marigolds in her summer border.

Now, the consensus about colour, give or take a few variations, is very curious. Its principles go back to a certain period of painting, half way between the brighter sort of Impressionism and washier followers of Turner.

Since then there have been many developments. Gardening has not reflected them, partly because it is very conservative (it took almost a century for the great landscape paintings of Claude and Poussin to have an effect on the natural landscapes of parks and gardens), partly because its high priests no longer have any link with modern painting.

Maybe painting, too, is less concerned with colour, but it would be very interesting to have asked Picasso how he would have planned a flowerbed. Someone should lay out a garden to the colour plan of contemporary artists. If they came to it with the same social associations of municipal bedding or country house taste, I doubt if they would take refuge in whites and muted greens.

You may think that painting has nothing to do with the way we see a landscape, let alone a garden. I would disagree. What

we notice is not the same as what we see, and noticing is conditioned by fashion and surroundings. Maybe you too have recently passed a cornfield full of scarlet poppies, one of the few gains from the recent long spell of drought.

It must have seemed extraordinary that critics and public would ever have objected to the first impressionist paintings which saw the informal beauty in such a scene. As accustomed to the paintings, if only on postcards, we are untroubled. We see the subject nowadays as the artists first suggested. But I doubt if poppies in a cornfield looked the same to the previous age of Capability Brown.

If gardening is the slow lowering of fashions in painting it may well be that the hotter colours will soon come into their own in the flowerbed. If you already mass Rose Masquerade and Super Star in your front garden, you will wonder why anyone should hesitate about this. I would still plead that they do not suit most British landscapes, another vague perception, and quite apart from their excess eye, they break the first rule of any painting, that it should develop the theme of its surroundings.

Wild contrast

Nevertheless in a small enclosed space this can sometimes be ignored. A wildly exotic contrast, the principle of those old cottage gardens, will work if it is not in competition with the wider landscape: the rhododendrons at Stourhead, that great natural landscape garden, seem to me to be rightly detested because they break that principle. They compete and do not contrast.

The "theme" of the surroundings is, of course, a pleasantly romantic notion. Nobody has yet explored what can possibly be the genius of a place which fronts on to a busy main road beneath two high rise blocks of flats and a take-away food store. I cannot imagine that any association here between garden planters and "pop" artists might be extremely rewarding. In exactly these situations, the old Jekyll principles do not work, because they are not absolute. Floribunda roses have been taken over by default, and at first.

There is also the use of silver leaved plants to "expose" the strongest colours, not only the edging of beds of marigolds with silver Senecio but the placing of drifts of silver leaves among beds of bright blue and violet, red and even purple. I would plead the wider use of magenta here: the flowers of, say, the easy Geranium Armenian are extremely pretty and combine well with silver leaves. Maybe silver leaves are a sop to those who really want the old-fashioned colours of restraint and pale harmony, but they are well suited to a modern house and town surroundings.

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Yellow and orange

There is thirdly, the revival of yellows and orange. A garden of yellow flowers has begun to be canvassed again, and it is certainly true that yellow and related shades look very well when kept apart and massed together. Day Lilies, evening primrose, orange daisies and above all, the big yellow sunflowers: you may say they are as stale as van Gogh, and that they have been growing there for years without reflecting on them in this way.

But at present there is no planned use of their colour for the sort of garden where they could look best. Maybe there is a new Miss Jekyll waiting to do it and set a taste for actual plants, yellow borders and silver and magenta borders, but I think we will have to be interested in colour as a subject taken over by default, and at first.

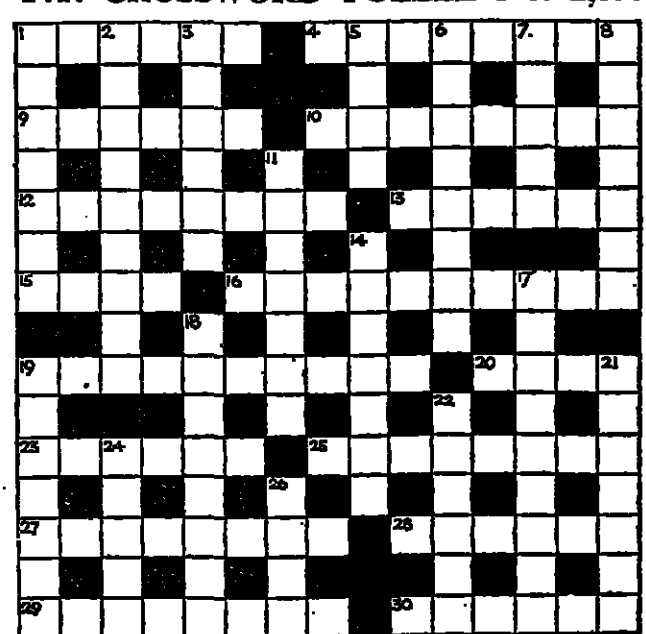
TV/Radio

† Indicates programme in black and white.

BBC 1

10.40 a.m. Cricket: Gillette Cup (2nd round)—Worcestershire v Essex. 1.25 p.m. News. 1.30 Camberwell Green. 1.45 Cricket: Gillette Cup. 4.30 Regional News (except London). 4.45 Play School. 4.50 Deputy Dawg. 4.55 Z-School. 5.30 Yoo, African Prince. 5.40 Sir Prancelot.

F.T. CROSSWORD PUZZLE No. 2,830



ACROSS

- Dismissed by a bird in the plot (8)
- Competent to measure the ball-game (3-5)
- Wind indispensable to the aircraft (6)
- Colonel finds one disembarking a riddle (8)
- "Then she rode forth, clothed on white" (Tennyson) (8)
- To swindle—was this the objective of the Argonauts? (6)
- Features a man demanded from the Romans (4)
- Record on canvas causes dissatisfaction (10)
- A retired teacher can be an expert (4, 6)
- "Set them to simmer and take off the —" (Patience) (4)
- Quietly included in an excellent meal (8)
- Sly fellow round the cash-box makes you dance (8)
- Harmful reverse of small car in charge of a learner (8)
- Fight with the doctor in a jacket (6)
- A good man finds London suburb breaking the decalogue (8)
- Communist cover not with love (6)

DOWN

- White girl turns up across the Channel (7)
- Clever measures in simpletons (9)

5.45 News.

6.00 Nationwide. 6.45 Wednesday Film: "Has Anybody Seen My Gal?" starring Rock Hudson. 8.10 Survivors. 8.25 The Diane Solomon Show. 9.55 The Rough With The Smooth. 10.25 The Detectives. 11.15 Apollo/Soyuz. 11.40 Regional News.

5.45 News.

6.00 Nationwide. 6.45 Wednesday Film: "Has Anybody Seen My Gal?" starring Rock Hudson. 8.10 Survivors. 8.25 The Diane Solomon Show. 9.55 The Rough With The Smooth. 10.25 The Detectives. 11.15 Apollo/Soyuz. 11.40 Regional News.

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All Regions as BBC 1 except at the following times:

Wales—1.30-1.45 p.m. Nant-y-Pant. 5.30-5.40 p.m. Nant-y-Pant. 5.40-5.45 p.m. Crystal Tipper. 6.00-6.45 p.m. Wales To-day. 6.45-6.55 p.m. Wales To-day. 7.30-7.40 p.m. Star Trek. 9.25-9.35 p.m. International Bowls: Wales v England. 11.15-11.30 p.m. Wales.

Scotland—4.40-4.50 a.m. Wacky Races. 10.30-10.40 a.m. Robinson Crusoe. 10.45-10.55 a.m. Vision On. 5.00-5.45 p.m. Reporting Space. 5.55-10.25 p.m. Breathing Space. 11.30-11.40 p.m. Scottish News Summary.

Northern Ireland—4.25-4.35 p.m. Northern Ireland News. 6.00-6.45 p.m. Scene Around Six. 11.30-11.40 p.m. Northern Ireland News Summary.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight (from South-West (from Plymouth)).

BBC 2

6.40 a.m. Open University. 10.30 a.m. Zindagi Naya Jeevan. 11.00 a.m. Play School. 4.00 p.m. Cricket: Gillette Cup (2nd round)—Worcestershire v Essex. 5.00 Open University. 7.30 Newsday. 7.45 The Master Game. 8.10 The Ascent of Man. 8.40 Die Notte. 10.25 p.m. Cricket: Gillette Cup highlights. 10.55 News Extra. 11.25 Close-down. Robert Powell reads "The Laird" by George Mackay Brown.

LONDON

10.40 a.m. "Battle of the Coral Sea" starring Cliff Robertson. 12.05 p.m. Yoga for Health. 12.30 Sally and Jake. 12.40 Pinks. 1.30 First Report News. 1.50 Pinks. 1.50 Lunch-Time To-day.

RADIO 1

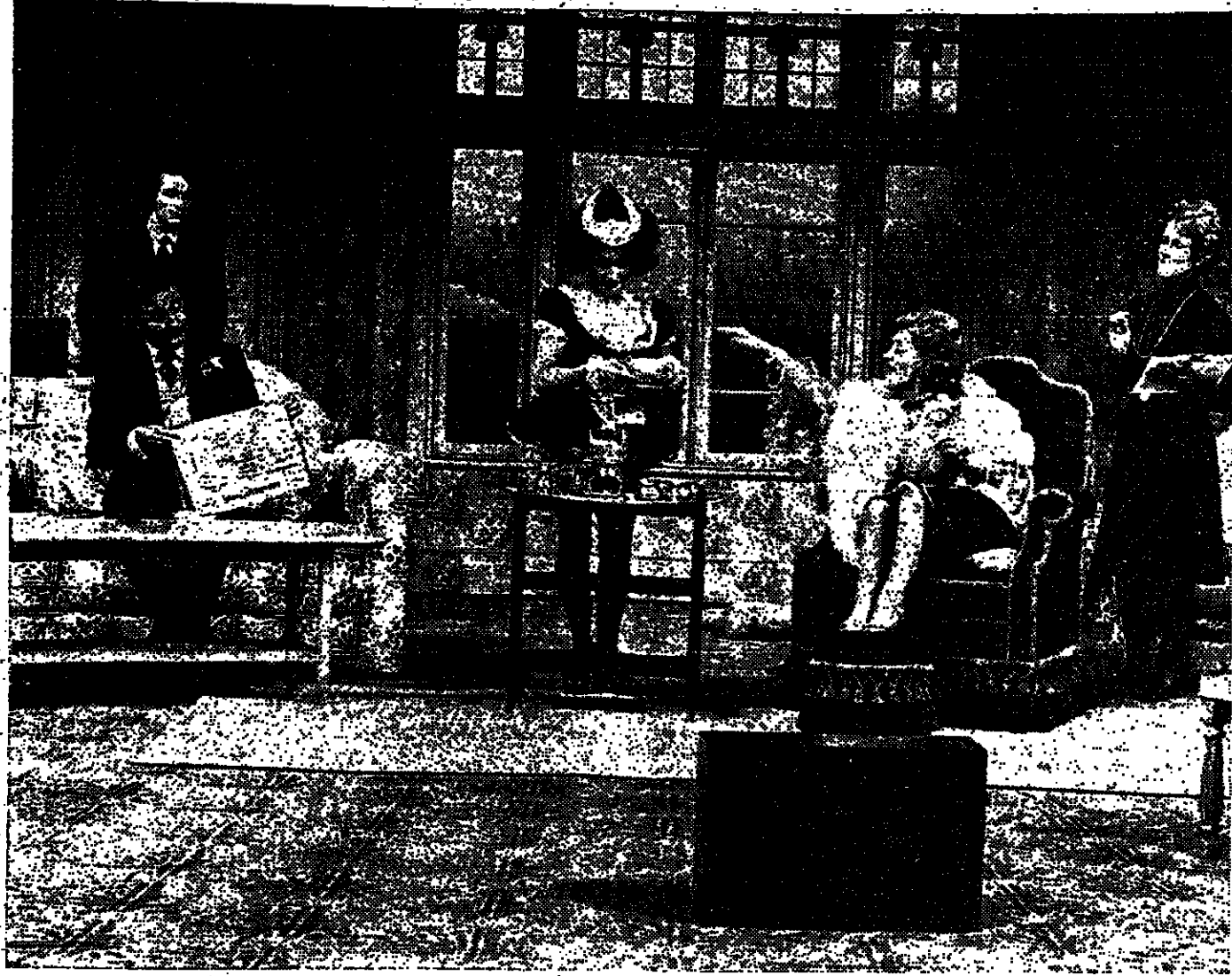
4.00 a.m. At Radio 2. 7.30 News. 8.00 a.m. At Radio 2. 8.30 News. 9.00 a.m. At Radio 2. 9.30 News. 10.00 a.m. At Radio 2. 10.30 News. 11.00 a.m. At Radio 2. 11.30 News. 12.00 p.m. At Radio 2. 12.30 News. 1.00 p.m. At Radio 2. 1.30 News. 2.00 p.m. At Radio 2. 2.30 News. 3.00 p.m. At Radio 2. 3.30 News. 4.00 p.m. At Radio 2. 4.30 News. 5.00 p.m. At Radio 2. 5.30 News. 6.00 p.m. At Radio 2. 6.30 News. 7.00 p.m. At Radio 2. 7.30 News. 8.00 p.m. At Radio 2. 8.30 News. 9.00 p.m. At Radio 2. 9.30 News. 10.00 p.m. At Radio 2. 10.30 News. 11.00 p.m. At Radio 2. 11.30 News. 12.00 a.m. At Radio 2. 12.30 News.

RADIO 2

7.30 a.m. News. 7.45 p.m. News. 8.00 p.m. News. 8.15 p.m. News. 8.30 p.m. News. 8.45 p.m. News. 9.00 p.m. News. 9.15 p.m. News. 9.30 p.m. News. 9.45 p.m. News. 10.00 p.m. News. 10.15 p.m. News. 10.30 p.m. News. 10.45 p.m. News. 11.00 p.m. News. 11.15 p.m. News. 11.30 p.m. News. 11.45 p.m. News. 12.00 a.m. News. 12.15 a.m. News. 12.30 a.m. News. 12.45 a.m. News. 1.00 a.m. News. 1.15 a.m. News. 1.30 a.m. News. 1.45 a.m. News. 2.00 a.m. News. 2.15 a.m. News. 2.30 a.m. News. 2.45 a.m. News. 3.00 a.m. News. 3.15 a.m. News. 3.30 a.m. News. 3.45 a.m. News. 4.00 a.m. News. 4.15 a.m. News. 4.30 a.m. News. 4.45 a.m. News. 5.00 a.m. News. 5.15 a.m. News. 5.30 a.m. News. 5.45 a.m. News. 6.00 a.m. News. 6.15 a.m. News. 6.30 a.m. News. 6.45 a.m. News. 7.00 a.m. News. 7.15 a.m. News. 7.30 a.m. News. 7.45 a.m. News. 8.00 a.m. News. 8.15 a.m. News. 8.30 a.m. News. 8.45 a.m. News. 9.00 a.m. News. 9.15 a.m. News. 9.30 a.m. News. 9.45 a.m. News. 10.00 a.m. News. 10.15 a.m. News. 10.30 a.m. News. 10.45 a.m. News. 11.00 a.m. News. 11.15 a.m. News. 11.30 a.m. News. 11.45 a.m. News. 12.00 a.m. News. 12.15 a.m. News. 12.30 a.m. News. 12.45 a.m. News. 1.00 a.m. News. 1.15 a.m. News. 1.30 a.m. News. 1.45 a.m. News. 2.00 a.m. News. 2.15 a.m. News. 2.30 a.m. News. 2.45 a.m. News. 3.00 a.m. News. 3.15 a.m. News. 3.30 a.m. News. 3.45 a.m. News. 4.00 a.m. News. 4.15 a.m. News. 4.30 a.m. News. 4.45 a.m. News. 5.00 a.m. News. 5.15 a.m. News. 5.30 a.m. News. 5.45 a.m. News. 6.00 a.m. News. 6.15 a.m. News. 6.30 a.m. News. 6.45 a.m. News. 7.00 a.m. News. 7.15 a.m. News. 7.30 a.m. News. 7.45 a.m. News. 8.00 a.m. News. 8.15 a.m. News. 8.30 a.m. News. 8.45 a.m. News. 9.00 a.m. News. 9.15 a.m. News. 9.30 a.m. News. 9.45 a.m. News. 10.00 a.m. News. 10.15 a.m. News. 10.30 a.m. News. 10.45 a.m. News. 11.00 a.m. News. 11.15 a.m. News. 11.30 a.m. News. 11.45 a.m. News. 12.00 a.m. News. 12.15 a.m. News. 12.30 a.m. News. 12.45 a.m. News. 1.00 a.m. News. 1.15 a.m. News. 1.30 a.m. News. 1.45 a.m. News. 2.00 a.m. News. 2.15 a.m. News. 2.30 a.m. News. 2.45 a.m. News. 3.00 a.m. News. 3.15 a.m. News. 3.30 a.m. News. 3.45 a.m. News. 4.00 a.m. News. 4.15 a.m. News. 4.30 a.m. News. 4.45 a.m. News. 5.00 a.m. News. 5.15 a.m. News. 5.30 a.m. News. 5.45 a.m. News. 6.00 a.m. News. 6.15 a.m. News. 6.30 a.m. News. 6.45 a.m. News. 7.00 a.m. News. 7.15 a.m. News. 7.30 a.m. News. 7.45 a.m. News. 8.00 a.m. News. 8.15 a.m. News. 8.30 a.m. News. 8.45 a.m. News. 9.00 a.m. News. 9.15 a.m. News. 9.30 a.m. News. 9.45 a.m. News. 10.00 a.m. News. 10.15 a.m. News. 10.30 a.m. News. 10.45 a.m. News. 11.00 a.m. News. 11.15 a.m. News. 11.30 a.m. News. 11.45 a.m. News. 12.00 a.m. News. 12.15 a.m. News. 12.30 a.m. News. 12.45 a.m. News. 1.00 a.m. News. 1.15 a.m. News. 1.30 a.m. News. 1.45 a.m. News. 2.00 a.m. News. 2.15 a.m. News. 2.30 a.m. News. 2.45 a.m. News. 3.00 a.m. News. 3.15 a.m. News. 3.30 a.m. News. 3.45 a.m. News. 4.00 a.m. News. 4.15 a.m. News. 4.30 a.m. News. 4.45 a.m. News. 5.00 a.m. News. 5.15 a.m. News. 5.30 a.m. News. 5.45 a.m. News. 6.00 a.m. News. 6.15 a.m. News. 6.30 a.m. News. 6.45 a.m. News. 7.00 a.m. News. 7.15 a.m. News. 7.30 a.m. News. 7.45 a.m. News. 8.00 a.m. News. 8.15 a.m. News. 8.30 a.m. News. 8.45 a.m. News. 9.00 a.m. News. 9.15 a.m. News. 9.30 a.m. News. 9.45 a.m. News. 10.00 a.m. News. 10.15 a.m. News. 10.30 a.m. News. 10.45 a.m. News. 11.00 a.m. News. 11.15 a.m. News. 11.30 a.m. News. 11.45 a.m. News. 12.00 a.m. News. 12.15 a.m. News. 12.30 a.m. News. 12.45 a.m. News. 1.00 a.m. News. 1.15 a.m. News. 1.30 a.m. News. 1.45 a.m. News. 2.00 a.m. News. 2.15 a.m. News. 2.30 a.m. News. 2.45 a.m. News. 3.00 a.m. News. 3.15 a.m. News. 3.30 a.m. News. 3.45 a.m. News. 4.00 a.m. News. 4.15 a.m. News. 4.30 a.m. News. 4.45 a.m. News. 5.00 a.m. News. 5.15 a.m. News. 5.30 a.m. News. 5.45 a.m. News. 6.00 a.m. News. 6.15 a.m. News. 6.30 a.m. News. 6.45 a.m. News. 7.00 a.m. News. 7.15 a.m. News. 7.30 a.m. News. 7.45 a.m. News. 8.00 a.m. News. 8.15 a.m. News. 8.30 a.m. News. 8.45 a.m. News. 9.00 a.m. News. 9.15 a.m. News. 9.30 a.m. News. 9.45 a.m. News. 10.00 a.m. News. 10.15 a.m. News. 10.30 a.m. News. 10.45 a.m. News. 11.00 a.m. News. 11.15 a.m. News. 11.30 a.m. News. 11.45 a.m. News. 12.00 a.m. News. 12.15 a.m. News. 12.30 a.m. News. 12.45 a.m. News. 1.00 a.m. News. 1.15 a.m. News. 1.30 a.m. News. 1.45 a.m. News. 2.00 a.m. News. 2.15 a.m. News. 2.30 a.m. News. 2.45 a.m. News. 3.00 a.m. News. 3.15 a.m. News. 3.30 a.m. News. 3.45 a.m. News. 4.00 a.m. News. 4.15 a.m. News. 4.30 a.m. News. 4.45 a.m. News. 5.00 a.m. News. 5.15 a.m. News. 5.30 a.m. News. 5.45 a.m. News. 6.00 a.m. News. 6.15 a.m. News. 6.30 a.m. News. 6.45 a.m. News. 7.00 a.m. News. 7.15 a.m. News. 7.30 a.m. News. 7.45 a.m. News. 8.00 a.m. News. 8.15 a.m. News. 8.30 a.m. News. 8.45 a.m. News. 9.00 a.m. News. 9.15 a.m. News. 9.30 a.m. News. 9.45 a.m. News. 10.00 a.m. News. 10.15 a.m. News.

Teenagers' trappings

by CHRIS DUNKLEY



Stephen Hays, Patrick Macnee, Josephine Gordon, Patricia Routledge and June Jago in 'Made in Heaven,' which opened last night at the Cheltenham Festival Theatre

Cheltenham Festival

Tippett

by GILLIAN WIDDICOMBE

Cheltenham's concentration on Liszt and Tippett as key-works supporting the two-week festival has made it, for us, a memorable year. For them, Cheltenham citizens and Gloucestershire, poorly supplied with live concerts during the year, it has been a tough festival. The morning series of Beethoven quartets by the Allegri has gone well, I gather; but what the locals really like are large orchestral concerts with superstars like Brendel. The closing weekend contained two concerts by the Academy of St. Martin's—ideal festival material, since nothing is likely to lure this hot-house flower of London's orchestras to Cheltenham or its environs during the rest of the year. Both were well balanced programmes. Saturday's, with Kenneth Gilbert playing a Bach harpsichord concerto, was fully sold; but Sunday's, in spite of Haydn's *La Passione* symphony and Mozart's delightful early G Major, K.124, was thin indeed. Once the home of the British symphony, Cheltenham is now the stronghold of the keyboard concerto.

Saturday's concert contained Tippett's two early classics for string ensemble: the Concerto for Double String Orchestra, and the *Fantasia Concertante on a Theme of Corelli* (interestingly preceded by its two sources, Corelli's F major Concerto Grosso, Op. 6 No. 2, and Bach's organ fugue in E minor, BWV 578, quietly transcribed for harpsichord and solo strings). These two, with an added companion in Walton's *Sonata for Strings* the next evening, invite several questions about the variable size of the 20th-century string orchestra. The Double Concerto is obviously conceived with the sharp textures of a 19th-century ensemble in mind; it needs a firm bass line, but otherwise the string sound can be thin so long as it is as clean and supple in rhythm as the Academy of St. Martin's. But both the Corelli *Fantasia* and the Walton *Sonata* need the sonority of much larger forces. It is a well-known orchestral secret that the fewer strings playing, the louder they sound in relation to each other; and that a very large string section can produce a much richer canvas of dynamic gradation than a more intimate chamber-sized group.

Walton's *Sonata* asks for as many strings as possible, and in a paradisaical performance would be played by the full strings of the Cleveland Orchestra. (Walton actually arranged the *Sonata*—alias his A minor Quartet with added bass and occasional thickening—for the Academy of St. Martin's without knowing how few strings belong to this elitist gathering.) Tippett notes that his fantasy can be for string orchestra of any size, but that note was made more than 20 years ago, since when he has referred to it as "pure Puccini." Certainly the subdivision of the ensemble into three groups—solo trio, and two quartets representing equal concertante bodies rather than solid tutti—requires carefully calculated balance of weight and relief, particularly in the *Andante* filigree writing.

Cheltenham's Town Hall (a notorious imperial bathroom in nauseous greens) makes a joke of this detailed writing; but so far as I could hear, the Academy was in excellent form for the *Andante*. Corelli's *Fantasia* is slow, yet in Cheltenham he pushed the piece along as briskly and urgently as though an irate composer were chasing him.

I saw none (save the ghosts of those who in the old days would have received Cheltenham commissions); but if there had been an irate composer it should have been Walton, after the heart attack inflicted on his *Sonata* for Strings. Marriner's *Sonata* for Strings, cut (some 40 bars out of the heart of the slow movement, reducing it by

one whole climax) when he gave the premiere at Bath a couple of years ago; but restored the cut for Argos recording. Surprisingly, since Marriner usually shapes and cleaves with such care, the cut is clumsy and inexcusable—unless one is fainting with hunger in Gloucestershire (and repeats were noticeable by their absence in the 18th century repertoire). This is Walton in his best romantic vein—an idle, murmuring Lento expanding into broad climaxes; the entire movement justifies the transcription more eloquently than the jesting scampers of the Scherzo and finale. The opening movement also seemed too fast for me, on Sunday, in his Los Angeles orchestra turning Mr. Marriner into an English Toscanini?

Sunday's concert also included the premiere of an attractive work for solo cello and strings by Elizabeth Maconchy. Miss Maconchy calls it *Epyllion* (Greek—short epic), suggesting musical events of widely varied character. But Maconchy is an admirably tidy composer: the piece is 20 neat minutes long, in four steady, separate movements. The material ranges from tough, dark, striding chords, solo cello weaving sad patterns across the strings, to a pretty, chattering Scherzo; and is laid out clearly and effectively. Sometimes the strings work as a body; sometimes, in the slow movement, particularly, they weave around with solo importance. And one of the best, if not the most original, effects is when the entire ensemble enters in quick imitation, tumbling down the scale like a crescendos snowfall.

Brief mention of more Tippett, at the Ladies College on Sunday afternoon, when Paul Crossley repeated his powerful feat of playing all three of the piano sonatas as the framework for an all-Tippett programme. Robert Tear and Philip Ledger repeated *The Heart's Assurance* (just as splendidly sung as at Aldeburgh); and a young horn player, the *Sonata* for Four Horns. The three piano sonatas make an excellent triangle: the early classicism, the harsh bravura of the early 1960s, and the recent patchwork, flame and expansive, of Tippett in his own late sixties.

I saw none (save the ghosts of those who in the old days would have received Cheltenham commissions); but if there had been an irate composer it should have been Walton, after the heart attack inflicted on his *Sonata* for Strings. Marriner's *Sonata* for Strings, cut (some 40 bars out of the heart of the slow movement, reducing it by

per cent. of the total. (I add "they say" because the working membership of Equity is a vague figure, for reasons it is not necessary to go into here.) A recent survey found, however, that out of 3,398 jobs only 56 were filled by black players, which is not 1.5 per cent. but about 1.5 per cent.

However, these figures do not mean much. Only 133 of the 239 companies canvassed bothered to send in their replies; and one company was doing an Athol Fugard play with ten Afro-Asians in it. (Equity puts the true figure at 0.6 per cent, then 1.5.) However, one factor that does emerge is that the proportion of Afro-Asians in Equity is roughly the same as the total proportion of Afro-Asians in the population, and this includes numbers of recent immigrants from Pakistan and elsewhere without enough English even to consider the possibility of a stage career. So Equity may be reckoned more generous to black applicants than others. The best thing is to forget all about the figures and deal only with the problems.

A difficulty is that only a small proportion of what is produced in the theatre to-day is new writing. Equity's Afro-Asian Committee blames playwrights for not putting parts into their work for black—or potentially for black—players. They may be right, though I think not. In any case, the theatre relies principally on plays written before there was any significant black population in this country, given a proper chance. There are sad tales of drama-school

students who leave before the end of their courses because they are never cast in proper parts. But those who do complete them have little chance of regular work in rep, for an artistic director is only too likely to conclude that he will be unable to cast regular parts for them, and certainly not important parts. A possible solution is to be found in the establishment of a community like the Drama Art Centre, which is to work at stilling a knowledge of western culture into black society. (It must be western culture, for that is what flourishes here on a 1,000-year-old base.) At such a centre, trained black actors could play big parts, and could train younger, less established players. Out of it should grow a genuine interest in the theatre among the coloured communities, and cross-fertilisation take place between the black and the white cultures.

The situation as I see it is that many coloured people have a good aptitude for the stage and cannot reconcile themselves to the fact that the theatre has not enough room for them. In this they are but little different from their white colleagues. Some of the blame must fall on Equity, which with one hand is trying to restrict entry into the profession and here with the other is encouraging entrants it knows will have a hard time finding work. Bold casting like Philip Grout's can't make more than a marginal difference.

It is only fair, though, that such coloured artists as are already in the profession should be given a proper chance. There are sad tales of drama-school

Hampstead Theatre Club

Ghosts

by MICHAEL COVENEY

A young man, very drunk, announces his departure to the toilet, picking up a book by Brecht and a bottle of whisky. Not Ibsen's play, this, but a flying attack by Austrian playwright Wolfgang Bauer on the pampered, middle-class indolence of a small, closely-knit group. Robert and Fred are a couple of writers subsisting on the privilege and security of independence. Fred's wife is moving out, her possessions piled in the middle of the room. Fred is past writing, past sex, past caring. He's in his mid-thirties. So is Robert, whose ex-wife turns up in the second act to join in the fun.

"The fun" consists chiefly of a dinner party charade during which Fred's girl friend, Magda (Pamela Moiseiwitsch), is humiliated by the married couples. What starts as a deliberate pantomime (the men in evening half-dress, the women in fur and hats) develops into a cruel baiting session in which full rein is given to the sadomasochistic tendencies Mr. Bauer insists, somewhat heavily-handedly, lie behind the outward show of joky, drink-soaked apathy.

Magda is compelled to serve the food and sit away from the table. Then, on being asked to sing, she breaks down, strips off and rushes about, hysterically blathering about her father, who (we learn in an earlier, elegiac speech) died in a plane crash. The asylum is called and Magda is rushed away. The other characters are left in their unreal limbo of muzzy philosophical belching and giggling selfishness.

The play is interesting as a picture of a group of wayward idiots; it reminded me of the plays of Michael Weller who does this sort of thing very much better, with more sympathy and humour and less gratuitous, flashy gimmickry. The trouble with Mr. Bauer's play is that it lacks a dimension in which the obsession and failings of the characters are referred to the world outside. The traumatised of the innocent, good-natured Magda is the final of a charade.

There are good performances from John Gower and Peter McNery as the two scribes, and Lynda Marchal has a good ten minutes with an interrupted monologue about a Greek affair and the death at sea of her lover's wife. But what vestigial density there is in the play is hardly brought out in Max Stafford-Clarke's slack, uneven production. The arrival of Magda to a telepathic welcome is ruined simply because we cannot see that the apron she picks up does have ten hearts sewn on it; a prophetic, rhyming clown who warns Magda of her fate after raping her on the floor is played with an excess of strain by the usually excellent Toby Salamander, a drifting lesbian is given a mammary bounce by Carol Drinkwater, but not much else. Sue Plummer's design is suitably decadent and Bryan Ferry sounds fine on the sound system.

I was complaining in this column 18 months ago that television failed almost entirely to cater for young teenagers. While there were some superb programmes for infants—*Play School* and so on—and some equally impressive ones for their slightly older brothers and sisters—*Maggie*, for example—there was nothing much offered to children from about 10 to about 15.

"Jolly good thing too," I can hear them muttering down at the Scout hut. "Unhealthy for youngsters at that age to be stuck indoors peering at the idlers' lantern." No doubt. But the trouble is that an awful lot of bored young teenagers don't take the option of a healthy bout of ankle-tapping or British bulldog; instead they go out with a black spray paint looking for a clean gable end on which to scrawl in vast letters "Up The Shed" and other such cryptic slogans (invariably full of spelling errors).

For one, would rather have them watch television, though I was in any case only suggesting a couple of a week—or a pair of couple at the most—for this particular age group; hardly enough to turn anyone into a wan, mushy room coloured addict. I pointed out that it wasn't so much a question of new subjects being needed as of new attitudes. The less rigid, more and was frequently inquiring than its adult counterpart, I pointed out, and if this were remembered then pro-

grammes produced for young teenagers, whether they were on poetry, politics, pop or polo, might very well turn out to be a good deal more interesting than adult programmes.

The first reaction of broadcasters was to write to me saying that everyone knew young teenagers didn't watch television, so what was the point of making programmes for them? (The egg-and-chicken quality of this argument had, they pretended, never occurred to them.) Their second reaction, as is now clear, was to recognise what a brilliant idea had been enunciated in this column and to rush off to act upon it. . . . How else explain the appearance since then of five programmes all—as far as I can tell—intended for this very age group?

Two of these shows have been placed at such a time in the London schedules that the broadcasters' complaint about teenagers not watching will almost certainly become a self-fulfilling prophecy: LWT's *The London Weekend* (replacing *London Bridge*) and Granada's *Rock On* one programme a week—or a pair of couple at the most—for this particular age group; hardly enough to turn anyone into a wan, mushy room coloured addict. I pointed out that it wasn't so much a question of new subjects being needed as of new attitudes. The less rigid, more and was frequently inquiring than its adult counterpart, I pointed out, and if this were remembered then pro-

made his name as a disc jockey (Jimmy Savile) and so does *Z-Shed* (Noel Edmonds). *Rock On With 45* is pop music from start to finish which, last week, featured a lady named Lynsey de Paul singing her latest song while seated on a motorbike. Seven hours later *Jim'll Fix It* featured the same lady singing the same song while seated on a motorbike which looked the same but presumably wasn't.

You Must Be Joking opens and closes with a band called Flintlock, and *The London Weekend Show* included two numbers this week by Osibisa (a group which is at least interesting in being black and mainly instrumental) introduced by the show's latter-day Cathy McGowan character, Janet Street-Porter.

To be fair, although all five programmes do have strong associations with pop music, they all have quite distinct formats, and some have recognisably distinct purposes. Granada presumably never intended *Rock On With 45*

to be shown on sunny Saturday mornings. Advertised as "an exciting session of top pop from the Hardrock Disc in Manchester," the programme shows its performers against a background which is often black, and often contains brilliantly coloured designs—notably effective on a colour set but meaningless for the majority watching in monochrome. If you have ever seen *Top Of The Pops* (which must now preserve its image just as Tate and Lyle Golden Syrup and Camp Coffee have) you will know what *Rock On With 45* is like.

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made his name as a disc jockey (Jimmy Savile) and so does *Z-Shed* (Noel Edmonds). *Rock On With 45* is pop music from start to finish which, last week, featured a lady named Lynsey de Paul singing her latest song while seated on a motorbike. Seven hours later *Jim'll Fix It* featured the same lady singing the same song while seated on a motorbike which looked the same but presumably wasn't.

You Must Be Joking opens and closes with a band called Flintlock, and *The London Weekend Show* included two numbers this week by Osibisa (a group which is at least interesting in being black and mainly instrumental) introduced by the show's latter-day Cathy McGowan character, Janet Street-Porter.

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All of these Bonds have been sold. This announcement appears as a matter of record only.

NEW ISSUE

June 15, 1975



THE COUNCIL OF EUROPE RESETTLEMENT FUND FOR NATIONAL REFUGEES AND OVER-POPULATION IN EUROPE

US \$20,000,000
9% per cent. Bonds due 1984

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Bank Mees & Hope NV	Bankers Trust International	Bank of Belgium S.A.
Banque Générale de Luxembourg S.A.	Banque de l'Indochine	Banque Internationale à Luxembourg S.A.
Banque Lambert S.C.S.	Banque de Paris et des Pays-Bas	Banque Populaire Suisse (Underwriters) S.A.
Banque Rothschild	Banque de l'Union Européenne	Banque Vernet et Commerciale de Paris
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Crédit Industriel et Commercial	Crédit Lyonnais	Crédit du

WORLD TRADE NEWS

EEC-Mexico 5-year accord on non-preferential basis

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, July 15

THE EEC and Mexico today signed a five-year economic and commercial co-operation agreement that forms a major part of Mexico's strategy for reducing its economic dependence on the U.S.

The arrangement is on the same lines as the Community's 1973 pact with India, and is the first "co-operation" agreement between the EEC and a Latin American country. The Com-

munity has straightforward trade pacts with Argentina, Uruguay and Brazil.

Commercial provisions of the agreement will be non-preferential, aimed at reducing Mexico's widening trade deficit with the Community, which was running at \$555m. European units of account (\$230m.) last year.

A Joint Committee will be set up to study all possible forms of economic co-operation, and the Community has promised to take

Mexican interests into account in its efforts to improve its generalised preference scheme.

On the Community side, considerable political importance is attached to the agreement in view of Mexico's leading role in securing a better deal world-wide for developing countries.

Mexico, which does two-thirds of its trade with the U.S., had an overall trade deficit of \$2.8bn. last year, almost twice as high as in 1973.

Agreement 'near' on Hong Kong textiles

BRUSSELS, July 15

SUBSTANTIAL PROGRESS has been made in the negotiations between the EEC and Hong Kong on a textiles agreement. The EEC is seeking voluntary limitation of Hong Kong shipments.

Both sides are said to have agreed on the list of products for which export ceilings should be introduced. Such a list has long been one of the major stumbling blocks in the talks, which began last November.

Experts are discussing the ceilings and whether they should be grouped together or limited to an item-by-item basis. The discussions are progressing in such a good atmosphere that both sides hope to reach an agreement by the week-end.

The list of "sensitive" products that it is said could disrupt EEC markets has not been disclosed. There are indications that the list includes such items as cotton, synthetic and woolen yarn and manufactured goods such as clothing, blouses, shirts, trousers but excluding household items.

The EEC is also negotiating a similar agreement with South Korea, and the talks are expected to be brought to a successful end early next week, assuming that the agreement with Hong Kong has been finalised by the week-end.

AP-DJ

Export Contracts

CRANE FRUEHAUF CONTAINERS will build 1,850 dry freight and insulated containers worth \$4m. for shipping Corporation of New Zealand.

HEAD WRIGHTSON FOUNDRIES will make tunnel segments costing \$2m. for an underground railway at Sao Paulo, Brazil. The Eaglescliffe iron foundry, closed last January because of lack of work, has been reopened to handle the order.

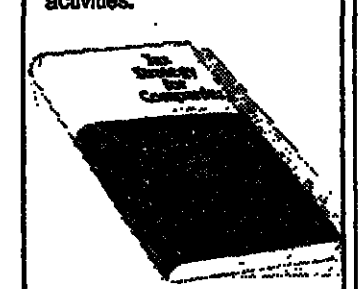
WELLMAN INCANDESCENT will supply furnaces to Yugoslavia against an order worth \$400,000 from Davy-Lowey. They are for a copper tube plant at Majdanpek, Serbia, of BOR Copper Mining and Smelting.

BRITISH UNITED TURKEYS, Chester, will supply 20,000 turkeys valued at £180,000 following attendance at the Hannover Pig and Poultry Show. Representatives from over 20 countries visited the company's stand.

Company tax strategy

Tax Strategy for Companies, by Barister Michael Hepler, is an up to date survey of the many tax saving opportunities available to companies. Written in clear, untechnical language, the book sets out each suggestion as a separate "point" followed by an explanation of the reasoning behind it.

The content includes chapters on corporation tax, general tax planning, distribution policy, reducing taxable profits, close companies, groups and consortia, and overseas activities.



Tax Strategy for Companies, £4.75 (inc. postage)
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Caricom drive for import substitution

BY OUR OWN CORRESPONDENT GEORGETOWN, July 15

THE CARICOM Council of Ministers pledge to push import substitution in the English-speaking Caribbean to wipe out the region's \$500m. food import bill.

The bill has been followed up by establishing a number of working groups to overhaul the key economic integration mechanisms to provide for a greater and free-flow of goods in inter-regional trading.

Working groups will study the adjustments needed for agricultural marketing protocol and the basic materials list, while other groups of experts will examine the future of textiles, leather, trade in agricultural goods, and quantitative restrictions.

The experts on textiles have been asked to prepare comprehensive proposals in the introduction on a regional basis of a specific formula for relating import allocations to purchase of regionally-produced goods.

A 1980 deadline has been set for the region to become self-sufficient in textiles. The programme to expand the industry will involve assistance to sea movement, others quarrelled Island cotton and large scale cultivation of medium staple cotton, running into some 20,000 acres of land in Guyana and Belize.

A decision has also been taken to give effective protection to regionally-produced leather and the leather goods industry, with plans being made to ensure greater use of regionally-produced hides, skins and leather in leather goods. Consideration is also being given to plans to expand the leather industry.

The Ministers have set a May 1, 1976, deadline for the introduction in Caricom of a process list which is to complement a revised basic materials list under which regionally-produced goods qualify for special tariff treatment in the Common Market.

The current basic materials list—under heavy fire from several countries—is to be amended with the deletion of several non-regional items.

These decisions, taken at recent Council Meetings in Jamaica, reflect growing disenchantment over the operation of the Common Market for the region to become self-sufficient in textiles. The programme to expand the industry will involve assistance to sea movement, others quarrelled Island cotton and large scale cultivation of medium staple cotton, running into some 20,000 acres of land in Guyana and Belize.

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Japan's 84% of 1974/75 Australian car market

By Kenneth Randall, Australia Correspondent

CANBERRA, July 15

DESPITE THE sharp cutback in the past six months because of government quotas, Australian car imports in 1974-75 were 82 per cent higher than in the previous financial year.

Official statistics published today show total imports at 147,333, with Japan accounting for more than 84 per cent. By value, car imports were worth 80 per cent more at \$A.262m. (\$155m.).

The Australian government imposed import quotas in January, aimed particularly at Japan, after monthly totals began to approach 18,000 units. Japan's share was about 83 per cent of imports and, at one stage, 36 per cent of Australian sales. The new system is aimed at cutting the Japanese car-makers back to about 20 per cent of the local market.

The quota scheme, based on previous average levels of imports is to run to the end of this year.

The government announced last week that it had sent a reference to the Industries Assistance Commission on the quota scheme, asking for advice on whether it should be continued and, if so, at what level. It has asked for a report by October.

All the major supplying countries except the U.S. showed substantial increases in ship-ments to Australia during 1974-1975. Apart from Japan, totals were: France 1,732 (1.2 per cent of total imports); West Germany 5,731 (3.9); Italy 7,922 (5.3); Sweden 4,024 (2.7); and Britain 2,449 (1.6). U.S. arrivals of 231 cars represented 0.2 per cent.

Imports for June at 7,386 units were 8 per cent below May.

IN BRIEF

Hong Kong subway

Japan's Export-Import Bank may make deferred payment credit facilities to Japanese companies bidding for parts of the Hong Kong subway. Final decision will be taken by July 27 when nine companies will submit estimates in an international tender. Recent Japanese failure to get an Iranian rail contract was ascribed to inadequate credit arrangements.

Japanese shipyards

Japanese shipyards have asked the Export-Import Bank to lower interest rates to help them compete against West European shipbuilders.

Cairo transport

Ward Ashcroft and Parkman, Liverpool-based consulting engineers, has formed a consortium to make a transport study of the Greater Cairo area for the Government. The consortium includes Parsons Brinckerhoff Quade and Douglas Inc. of New York, and Sabour Associates, Cairo. An eight-month study will analyse existing traffic patterns and predict future needs with special reference to the impact of reconstruction of the Canal Zone.

Israeli chemicals

Rates of profit and growth in Israel's chemical industry are among the highest in the world, with profit in 1974 averaging 45 per cent on capital investment, stated Dr. M. Mandelbaum, director-general of the Ministry of Commerce and Industry. About 30 per cent of the \$400m annual output is exported, and the figure is expected to double within five years.

Silk for Japan

Glemsford Silk Mill, Suffolk, which bought raw silk from China three months ago, is now selling it in yarn form to Japan. The mill is working overtime to meet an August delivery deadline.

AMERICAN NEWS

Growing confidence of third-quarter recovery

BY ADRIAN DICKS

WASHINGTON, July 15

OFFICIAL ECONOMISTS here are now increasingly confident in their predictions of a recovery in production and unemployment during the third quarter, following the steep drop in business inventories during May.

The May figures, reported by the Commerce Department yesterday, show a record \$2.97bn. fall in business stocks—double the revised \$1.5bn. cutback during April, and half as great again as the \$1.5bn. drop in March. Inventories have now been declining for four months running, the longest period since 1961.

As a result, companies are expected to begin stepping up output if demand remains firm. While no-one can be sure exactly how fast it is likely to expand, the May figures also show a 2.7 per cent increase in retail sales during the month. Wholesale sales were more sluggish at 0.5 per cent, up on April's 0.2 per cent. The Commerce Department said the figures were "a good sign" for the economy, after jumping by 4 per cent during April.

declined again by 1 per cent in May. Inventories in all sectors remained well above last year's levels at an average 1.68 months' sales compared to 1.47 in May 1974.

In another development today, the new Congressional budget experts said public spending produced its first set of reports on the impact of measures enacted thus far. The first such "scorekeeping report" on the Senate's actions for the fiscal year 1976 which opened this month, suggests that if all the legislation now on the books and on the horizon were to be passed, there would be an overspending of \$2.6bn. beyond the target adopted in May of \$367bn.

Senator Edmund Muskie, chairman of the Senate Budget Committee which is overseeing the scorekeeping process, said the report would "keep the Senate's feet to the fire" and make the task of saving money

As it is, the \$367bn. target which the two chambers adopted in May is some \$3bn. higher than the figure proposed by President Ford in February, though some of the difference between the two is explained by Congressional budget experts as being due to differences in definitions and assumptions for such items as offshore oil lease sale receipts and military aid to South-East Asia.

This year, the scorekeeping process is merely being given a trial run, and the targets which the budget committees will try to enforce on Congress—with the help of the high-powered new Congressional Budget Office—will have no binding effect. However, if they can be successfully met, the Democratic majority will achieve one of the major political victories of next year's election campaign, in demonstrating that the Republicans are not the only party able to control public spending.

Turkey said in a June 17 diplomatic note to Washington that it would revise the status of the 25 U.S. military bases on Turkish soil if the U.S. does not lift the Congressional ban on military aid to its NATO ally.

The U.S. Congress imposed the arms ban in February because Turkey used American-made arms during its invasion of Cyprus one year ago today.

Doubts over detente

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, July 15

THE SUCCESSFUL start to the U.S.-Soviet space link-up today with the launching of each side's capsule into orbit, has been received with mixed feelings in an America that is increasingly ambivalent towards detente.

The mission itself has been accompanied by the expected barrage of over 100 newspaper headlines, and the TV networks have provided full coverage and the venture has made the cover story of both Time and Newsweek magazine this week.

Nevertheless, the Administration is not notably defensive about it—sending the ambivalent attitude of the public at large as well as of many in Congress and remembering too, that the project was the brainchild of former President Nixon in the heyday of his open-handed policy towards Russia.

There is no doubt that in the Administrations view the project had to be gone through with as much for its political symbolism as for any scientific value. The U.S. and Russia have been committed to the space docking programme since 1972 and to have pulled out now would have cast a blight over America's improving relationship with the Soviet Union.

Union in other, more important, it is very unequal partnership. In the first place, the U.S. appears to be paying the lion's share of the cost, and has provided the full \$100m. needed to build the special docking collar that will harness the two capsules together. It is also claimed that the Russians will be by far the biggest gainers from the access each side has enjoyed to the other's technology.

The little the Russians have grudgingly allowed the Americans to see of their space programme is said to have some limited intelligence value. But this is believed to have been quite outweighed by what the Russians could have learnt from their exposure to the considerably more advanced American know-how, which appears to be at least five years ahead of the Soviet Union.

Reuter adds from Minneapolis: Secretary of State Henry Kissinger today vigorously defended detente with Russia and U.S. aid to authoritarian regimes, declaring that America had to reconcile its principles with its necessities.

In a speech on morality in U.S. foreign policy, Dr. Kissinger told the Upper Midwest Council: "We must conduct diplomacy with subtlety, flexibility, manoeuvre and imagination in the pursuit of our interests."

Timber industry faces strike

THE THREE unions negotiating new contracts with the British Columbia forest products industry broke ranks with two pulp unions saying they will go on strike tomorrow.

But after a 24-hour meeting late today Mr. Jack Munro, regional president of the IWA, said the three unions could not agree on common action. He said IWA workers would remain on the job until the union had received and studied the report from the special mediator.

The three unions earlier had set tomorrow as a strike deadline to close down the entire British Columbia forest industry last week-end had asked all workers to remain on the job.

VANCOUVER, July 15. The mediator was given 21 days to attempt to settle the dispute. The two pulp unions said they would stick by their earlier strike deadline and strike at some 20 pulp and paper mills in the province tomorrow morning. Already about ten of the mills have been closed by strike action.

Pulp union officials said it would be "difficult to change" their earlier strike decision indicating they probably could not keep their members from striking. They also said the pulp unions were in a "better position to strike" because demand for pulp and paper products was as weak as for lumber and building materials.

AP-DJ

FINANCING U.S. SCHOOLS

Robin Hood takes a hand

BY GORDON WEIL IN PORTLAND, MAINE

A COURT in California decided in 1971 that it was unfair for Beverly Hills to have better schools than Los Angeles merely because the people there were wealthier. In *Serrano v. Priest*, the court said that the costs of public education in the proceeds of the property tax represented a denial of the equal protection of the law under the Fourteenth Amendment to the U.S. Constitution.

The people of Beverly Hills could have the same tax rate on the value of their home and grounds as those in Los Angeles but because that value was so much greater, the amount of revenue produced by the same tax effort would also be greater. "Not fair to the people of Los Angeles," the court said.

Two years later the U.S. Supreme Court overturned the California rule. But in the meantime, a number of States had accepted the philosophy of the California court and began trying to develop ways of equalising educational spending on each student in the public (that is, State) schools.

The California approach was to eliminate reliance on the property tax rather than to try to find some way to distribute revenues collected in one city to schools in another. Instead, California let the way toward greater reliance on a so-called "broad-based" tax. The personal income-tax was most attractive, because it is a good deal more progressive than the sales tax. Yet the transition from the property tax to general tax revenues to finance education has turned out to be difficult and slow. On the other side of the country, Maine has been trying another approach which is the nearest thing to equal educa-

tional spending that can be found anywhere in the U.S. The Maine Equal Education Funding Act continues to rely on the property tax but goes so far as to demand that the State take the total cost of education in Maine and divide it among the "rich" towns in the "poor" towns. But the taxes are cut because of another revolutionary aspect of the law: the imposition of a spend-

ing ceiling on the amount that may be spent to educate each student. Some educators have worried that this limit might mean that sound and innovative programmes would never get off the drawing board. But they have found that the requirement to keep spending down has forced them to make sure that they get the best value for their money. And it has prevented inequality resulting from a boost in "voluntary" spending by some towns.

The Maine law requires that school taxes be levied at a rate of \$13.25 per \$1,000 of value. In order not to totally eliminate local initiative, school districts can raise up to an added \$2.50 per thousand. Unlike the basic amount, this supplement is not matched by state funds from the income and sales taxes.

Despite the complaints of those people who are "land rich" and "dollar poor," the law looks like surviving because only 30 of

U.S. will renegotiate its bases in Turkey

ANKARA, July 15

THE UNITED States has agreed to renegotiate the future status of its military bases in Turkey, President Salim Demirel said today. "We told U.S. officials we want to discuss this matter within a month's time and they said yes," Mr. Demirel told newsmen.

"Tomorrow there will be a meeting of the National Security Council, followed by a Cabinet meeting, during which the latest developments will be reviewed," Mr. Demirel said. "We shall decide our course of action after these meetings."

Turkey said in a June 17 diplomatic note to Washington that it would revise the status of the 25 U.S. military bases on Turkish soil if the U.S. does not lift the Congressional ban on military aid to its NATO ally.

The U.S. Congress imposed the arms ban in February because Turkey used American-made arms during its invasion of Cyprus one year ago today.

Congress is currently discussing a compromise proposal by President Ford that would partially lift the embargo.

The U.S. maintains several intelligence gathering bases on Turkey's Black Sea coast and the Soviet Union has moved with sophisticated monitoring equipment.

Bilateral defence agreements between Ankara and Washington govern the maintenance of the 25 U.S. bases on Turkish territory. The bases include a command centre in Kizilirmak, Ankara and Diyarbakir.

UPI

Chile ends state oil monopoly

By Alejandro Koffman O'Reilly

SANTIAGO, July 14. THE CHILEAN military junta has ended the 55-year-old state monopoly of oil exploration and exploitation by opening most of the country to "service contracts" with international corporations.

The move results from the State oil agency's (ENAP) lack of resources to carry on its recovery, exploration and production of crude, covering now less than 30 per cent of the country's needs.

There have been contacts with 42 foreign corporations, many of which have already sent exploratory teams here, to open international bidding to explore and develop oil deposits under service contracts.

Under the terms of these contracts, the oil found will be the State's property, but the finder will pump it, receiving a percentage of the value of the crude produced. The crude itself will be refined and distributed by ENAP. The contracts will last 35 years, with the first five allowed for exploration.

"The period to start receiving international bids will be announced soon," said Minister Hugo Vial, who said that the move followed the promulgation of a decree ending ENAP's oil and gas monopoly last week.

New Issue

This advertisement appears as a matter of record only

July 1975

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Manufacturers Hanover Limited

Vereins- und Westbank Aktiengesellschaft

Whitlam aborts senate probe

BY KEN RANDALL

CANBERRA, July 15.

motion, which is bound to be five or the minister concerned.

Beirut Cabinet promises inquiry

BY ISHAN HIAZI

BEIRUT. July 15.

Iran orders Citibank to cut Tehran office staff

BY ROBERT GRAHAM, MIDDLE EAST CORRESPONDENT

TEHRAN, July 15.

Ivory Coast sending Minister to S. Africa

PRETORIA July 15.

RHODESIAN ECONOMY

Settlement is desirable, not imperative

BY TONY HAWKINS, SALISBURY CORRESPONDENT

employment record since 1987, in particular, is quite satisfactory. During that time 275,000 new jobs for Blacks have been created—averaging 39,000 a year

picked up because the Mozambique border has remained open, the no-change budget, and the better-than-expected, third quarter performance. The latter two of the border would be a serious setback to the economy but sources insist that upwards of 80 per cent of exports would still go through South Africa. Low value, high bulk commodities such as chrome, coal, rice, and iron ore would be unaffected but there are strong hopes of selling the maize to neighbour-

In other words, if there is to be a "knockout blow" in the economic sense it is going to have to come from Mr. Vorster. Clearly a Rhodesian settlement is not only a possibility but not only so far as Rhodesia itself is concerned but also from the viewpoints of neighbouring countries — South Africa, Botswana, Mozambique and Zambia in particular. But economic pressures alone are not going to make the kind of rational acceptable to the Black nationalists.

Lower

This is hardly the budget of a weak, struggling economy. Yet Mr. Wehrath said that Rhode Island faces "a period of hardship, although one which should be of relatively short duration." The fact is that after a sustained period of above-average

Recession

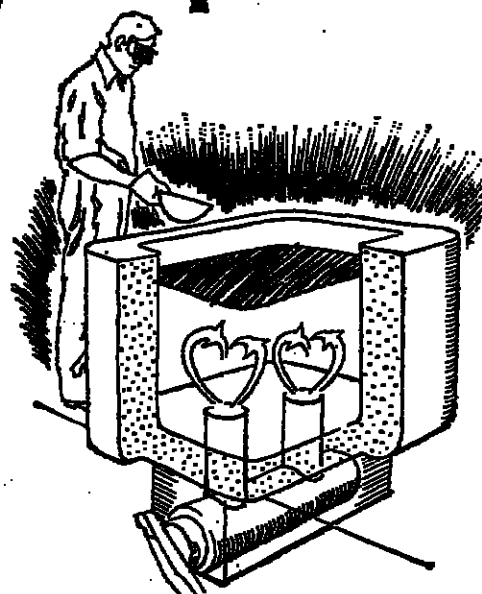
picked up because the Mozambique border has remained open, the no-change budget, and the better-than-expected third quarter. Government officials are confident that the border would be a serious setback to the economy but sources insist that upwards of 80 per cent of exports would still go through South Africa. Low value, high bulk commodities such as chrome, coal, rice, and iron ore would be unaffected but there are strong hopes of selling the maize to neighbour-

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How industry can profit from electricity

Improved lighting for economy

Work is done better, and faster, when people are not handicapped by poor lighting. For simple manual tasks which make only limited demands on vision, increases in illumination result in improved morale as well as better performance. For really difficult visual tasks, the gain in performance can be such that it brings about increases in production, and therefore profit margins. As a rough guide, good lighting in a typical factory costs less than one per cent of the wages bill. This small expenditure could produce savings and increased production worth many times the outlay...a twenty-fold return per year would not be exceptional. And that's a good return by any standards.



Consistently high quality with electric melting

Electric channel induction furnaces are widely used for holding molten metal ready for pouring, while units with fast melting rates are also available for primary melting. Their ability to melt overnight and store metal for pouring during a single day shift is attractive from the cost point of view. The power input can be easily adjusted to achieve accurate pouring temperatures. The gentle stirring action—a characteristic of induction heating—ensures thorough mixing and uniform melt composition, while additions can be made easily. Whether used for melting or holding, electric channel furnaces provide a product of consistently high quality, with minimum rejects—and many contributions to cost savings.

Lower costs with fast infrared heating

Component finishing ovens heated by electric infrared elements generate no products of combustion, and so there is no risk of contamination to materials or surface finishes. More important, this improved product quality is obtained with an oven only a third the length of a forced convection oven and which processes the work three to five times faster. A further benefit is that the elements radiate heat directly at the workpieces, and so the workshop atmosphere is cleaner and cooler. Very low capital costs mean that an existing oven can often be converted to electric firing for about a quarter of the figure needed to replace it.

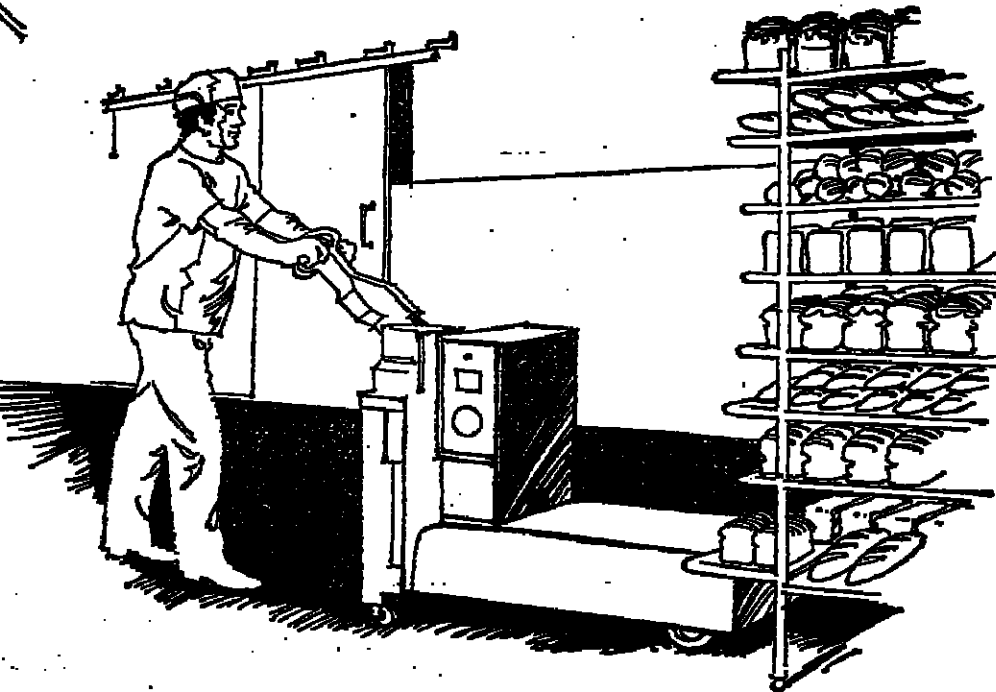
Identifying the opportunities

Modern electrical methods are increasing productivity and reducing operating costs. The Industrial Sales Engineer at your Electricity Board can tell you about the electrical techniques available today, and put you in touch with manufacturers of suitable equipment. His experience in a wide range of different trades and industries could help you identify opportunities for increased efficiency and profitability *in your business.*



Electric trucks banish pollution

Pollution from combustion engines can harm business—it can have bad effects on employees and products. Everybody—employer and employee alike—is concerned with working conditions and the exclusion of toxic fumes, noise, smell and irritants from the workplace. Battery electric trucks avoid all these problems. There is no smell, no fumes, no noise. Refuelling an electric truck is as easy as pushing in an electric plug—no spillage and no messy oil.



Electricity does industry a power of good 

The Electricity Council, England and Wales

EUROPEAN NEWS



Munich: the Olympic village.

Troubles in paradise

BY JONATHAN CARR

MUNICH: mid-morning but the sun is shining brightly. The Bavarian Parliament reduced to a small number of members, the emergency telephone number blocked and the telephones in the Olympic village are out of order. The mood is one of a clock stopped at 10.15 on a hot day in the Bavarian capital.

Munich: late evening and an elegant audience spilling down the opera house steps. Nearby in a vaulted restaurant, customers sip through a wine list pages long. Further afield—not a seat free under the trees at the Angartner beer garden. Any possible care is promptly drowned in alcohol and smothered under noise.

Two pictures—both drawn from life in the Bavarian capital in the last few weeks. Of course it is the second which corresponds to most people's view of Munich—that Weltstadt mit Herz—that metropolis with a heart—which seems to roll back from the Fascist arrival to summer festival October beer fest and back to Fascism with hardly a concern beyond a hangover. "A kind of German paradise," Thomas Wolfe called it in the 1930s. Many visitors would agree in the 1970s. And yet there is more than a whiff of unease in the air. Can paradise after all be slipping away? "A city in decline," says one headline. "Will Munich become a ghost city?" asks another. Little wonder that when the entire electricity supply failed one summer morning, some saw it less as a temporary technical fault and more as an omen.

The mood of uncertainty contrasts strongly with the boom years of 1960s—the period when the ebullient Herr Hans-Jochen Vogel—now a Minister in Bonn—was lord mayor and the sky was the limit. You could do much better than merely earn a living at such renowned enterprises as Siemens, BMW, Krauss Maffei, and Rostsch, to name but a few. And the city and its surroundings were at your feet—Schwabing (dare one still call it Munich's Chelsea), sking and sailing in Upper Bavaria, riding through the Engländer Gärten or approaching the city on a Sunday excursion by raft down the River Isar from Wolfratshausen. Munich was a powerful magnet, its population grew by leaps and bounds, and it came as no surprise when Munich was chosen as

the site of the 1972 Olympics. Work went ahead on the U-Bahn underground railway and the S-Bahn suburban rail service; a pedestrian-only zone grew in the city centre, pleasant flower-filled corners emerged from vacant lots, hotels sprouted like mushrooms.

It would be too much to say that the Olympics of themselves were a turning point. Certainly

the games brought special problems in their wake—some hotel overcapacity, flats standing empty at the former Olympic village, the "transparent" over the stadium turning a nasty brown in the sun, and so on. But it is rather true that after the Olympics people had time to sit back and take stock. They became aware of unsatisfactory structural developments. And as they did so, recession set in at home and abroad—meaning less financial scope for making the problems in hand.

For those accustomed to continuous population growth, the 1973 figure for Munich came as a shock: a drop of 0.2 per cent, followed by a further reduction last year of 1 per cent, to 1,325m. That was worrying enough. But the movement out of town was the last stage of a year-long process already giving serious cause for concern. Young families with children, as well as the generally better-off, were leaving the older accommodation in the centre of town and moving to the outskirts. Meanwhile the lower paid, the elderly, and foreigners, including the Gastarbeiter or foreign workers tended to be left in the centre. This is not, of course, confined to Munich and the social problems and dangers hardly need stressing.

Ideally, Munich wants to proceed on two fronts. On the one hand it plans to make the city centre even more attractive, by widening the pedestrian zone and, in particular, through cleaning and modernising old buildings. On the other, it wants to see the city as far as possible within its limits become more important as shopping and cultural centres—as though they were villages with their own identities instead of anonymous living areas. The overall aim is to see that the population does

not drop below 1.5m—and that foreigners do not form more than 20 per cent of the total. The aim is fine. But will Munich have the financial resources to achieve it? There is no crisis after the New York City pattern, with the administration unable to pay running costs. But there is little immediate cause for optimism either. The city's main revenue comes from trade and income-tax. Other sources—such as land tax, drink, and so on—are relatively unimportant. Last year, chiefly because of the general economic downturn, there was a shortfall of DM600m (about £17m), bringing a tough savings programme and a cutback of new investment. This year the estimate of tax revenue drops as one day succeeds another with no sign of an economic upswing. On top of this, like other German cities, Munich has to budget for a shortfall from a reform of tax and family allowances which came into effect throughout West Germany this year.

Even if there were no economic recession, Munich and other cities would still find the financial going very difficult. It is their claim that over the years their responsibilities have increased, that the services they offer have had to be greatly expanded—but that the proportion of total tax revenue which they are permitted to retain has not kept pace. Of the income and trade taxes they collect, substantial quantities go direct to the federal (state) governments, and to the federal government in Bonn.

Munich considers itself particularly hard hit. Its services, such as hospitals and schools, are used by a large number of non-residents from the whole Bavarian region who do not pay taxes in Munich. Munich feels that if there is to be a comparison with another city in West Germany, then it would have to be with Hamburg. But Hamburg is a city-state, a Land in its own right, and as such entitled to a 57 per cent share of income tax revenue. Munich, capital of the Land of Bavaria, is entitled only to the share going to any other city, that is 14 per cent. Of course the comparison is not quite fair since, as a Land, Hamburg has bills to pay which Munich need not foot, but still there is something in the argument. As a short-term aim, Munich wants to see its share of income tax revenue raised to 15 per cent, then by steps to 18 per cent. With Federal and Land Government themselves struggling with the burdens resulting from a shortfall in tax revenue, the prospects do not look too good. However, higher service charges in Munich cannot make up the shortfall and an increase of trade tax might kill the goose still laying, albeit reluctantly, golden eggs.

Why not—borrow more? Maybe, but the city deficits have already achieved record levels—and their comparative size indicates that a redistribution of revenue is overdue. The most recent statistics available show a public debt of DM2,263 for every citizen of West Germany. Of this total, DM655 was owed by the Federal Government, DM518 by the State Governments—and no less than DM1,089 by the municipalities.

As far as Munich is concerned, it must obtain more revenue or be forced to shelve major projects—such as modernising of buildings—which are considered essential to its future. It is not clear what the answer is going to be, but at least one must recall that throughout its history Munich has shown remarkable resilience. It seems fair to suppose that this quality will emerge again.

One example from many. To the horror of regular customers, a family running a riverside restaurant had to give up business a few years ago for financial reasons. A discotheque moved in, the place was transformed and that seemed to be that. This year—wonder of wonders—the discotheque has vanished and the family is back. Ask where the money came from, and you will be given no reply beyond a wink. Ask what happened to the previous management, and you will receive a somewhat vulgar distaste to the effect that it was a bad business. Ask where the money came from, and you will be given no reply beyond a wink. Ask what happened to the previous management, and you will receive a somewhat vulgar distaste to the effect that it was a bad business. Ask where the money came from, and you will be given no reply beyond a wink. Ask what happened to the previous management, and you will receive a somewhat vulgar distaste to the effect that it was a bad business.

French nuclear shake-up planned

By Rupert Cornwell

PARIS, July 15. THE FRENCH government is to study plans next week that, if accepted, could lead to a complete re-organisation of the country's civil nuclear industry, including greater governmental control over the largest power station supplier, Framatome.

The proposal will be debated next Monday by a restricted Ministerial Council. Their aim is for the state nuclear energy authority CEA to take a stake of over 30 per cent in Framatome, at present 45 per cent owned by Westinghouse of the U.S., the company which supplies the licence for its pressurised water reactors.

At the same time—and this is likely to be the prickliest point of the discussions—Framatome would be made the sole supplier of power stations to the electric utility EDF, finally putting an end to the aspirations of its rival, the Electric group CGE, to win a firm foothold with its boiling water technique, under licence from the American General Electric Company.

The immediate background to this rethink is the substantial cutback now all but certain in the ambitious nuclear programme first announced last year. Instead of 6,500 to 7,000 MW new capacity each year, it is probable that only 4,500/5,500 MW will be authorised, in the period to 1980.

The contraction means that it is increasingly doubtful whether room exists for two competing suppliers. So far the lion's share of EDF power station orders has gone to the more proven technique operated by Framatome, while CGE has only won two.

Moreover the rationalisation is done at a moment when officials here in that it offers the chance to gain a tighter grip on a sector of key national importance, dependent for its life on orders from the state-controlled EDF.

At present Framatome's other major shareholder is the steel and nuclear group Creusot Loire, with 51 per cent of its equity. But Creusot Loire is, in the eyes of officialdom, suspect since it is indirectly run from outside France by the Belgian industrialist Baron Edouard Empain.

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Portugal under strain from crises at home and abroad

BY JANE BERGEROL

LISBON, July 15.

WHILE PORTUGAL awaits tomorrow's Supreme Revolutionary Council's response to the Popular Democrats' conditions for rejoining the fourth coalition Government, military leaders have been meeting non-stop to discuss the crisis in Angola.

Although Portugal is considering sending reinforcements to Luanda, crack troops are unlikely to agree to go since they refused earlier this year to be shipped out of the country on the grounds they are needed at home. The crack troops are mainly commando units, paratroopers, and marines, all of which tend to be on the conservative side of politics and feel they must stay in Portugal to prevent a takeover by extreme Left and Communist forces.

The Foreign Minister, Major Melo Antunes, is still in Luanda, but there have been no indications in Lisbon whether the Government is seriously preparing to ask for UN intervention in Angola, as the Foreign Minister suggested yesterday. Such intervention has until now been condemned equally by all three rival liberation movements.

Meanwhile, tension here is mounting as prospects harden of the fall of the fourth coalition. The Popular Democrats' conditions for staying in the coalition AFM Communist-Sympathising Party have been repeatedly suggested this week, but some Communist Party cells and some parties of the extreme Left.

Crucial to the evolution of the political crisis will be a planned mass congress this week-end of revolutionary workers' and neighbourhood organisations. The congress could become a focal point for applying pressure for immediate implementation of direct democracy.

It could also call for leadership in the scheme by General Otelo Saraiva de Carvalho, leader of the Copcon security forces who is close to the Protestant Revolutionary Party, one of the principal architects of the direct democracy plan.

The General is due to deliver a paper on authority in Portugal at Friday's armed forces General Assembly. Whether he disposes of enough discipline and loyal troops across the country to force through such a plan is uncertain to say.

More trouble in Northern Portugal came yesterday when townpeople who Sunday ransacked their local Communist Party headquarters, accused a newspaper delivery van burning all its Lisbon afternoon papers, claiming they reflected only the Communist Party line.

The driver escaped unharmful, but the event received wide coverage in this morning's Lisbon Press, including a virulent Communist Party Sunday newspaper attacking the Socialist Party as being in league with "reactionary forces."

Two possibilities would then face the Supreme Council, both falling short of satisfying Socialist and Popular Democrat demands. They are:

● An all military government, considered highly unlikely by most observers.

● A mixed civilian-military government without direct party representation.

Either way the country's two largest parties would be in opposition to the Cabinet and would have the forum of the Constituent Assembly in which to express themselves. It is difficult to see how the AFM can silence this arena for political discussion. It may seek to end the one-hour's free debating time the Assembly allows itself before turning to constitution-writing every afternoon. But this could only be imposed by force. The alternative, as to dissolve the Assembly, something the AFM Communist-Sympathising Party has repeatedly suggested this week, would be to turn the country over to the workers.

Luanda, July 15. SCATTERED firing broke out again today in parts of the Angolan capital, but the situation was generally calmer than it has been since the recent outbreak of fighting between rival liberation movements. People were drifting back to work and the city centre took on a more normal air.

There seemed to be at least a temporary lull in the heavy fighting between the Zaire-based National Front for the Liberation of Angola (FNLA) and the well-armed troops of the Marxist Popular Movement for the Liberation of Angola (MPLA).

However, no one was prepared to say whether the full-scale Angolan independence struggle that has been arranged November approaches. He has or whether the two sides were said to be ready to call on intermediately regrouping their forces national bodies if necessary after fighting that has left an estimated 2,500 people dead. Reu-

Luanda calmer but fighting continues

LUANDA, July 15.

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Spaniards trying to form 'party'

By Roger Matthews

MADRID, July 15. TWO EX-MINISTERS and other leading personalities of the so-called "civilised Right" are attempting to form the basis of a political party by registering as a limited company.

The formation of an independent Studies known as FEDESA, with paid up capital of Ptas. 100,000 (€8,000) and more than 70 initial shareholders, is the recent brainchild of former information ministers Fraga Iribarne and Pio Caballero.

These two men, former government officials, former army officers and senior industrial figures.

This new backdoor approach to political activity has especially angered Señor Jose Solis, the newly appointed Secretary-General of the National Movement.

The country's only permitted political party, General Franco at its head. He described the new organisation as "a fraud on the Spanish nation."

Police are understood to be trying to arrest another 30 people alleged to be aligned with the Basque separatist organisation ETA in and near Bilbao. This follows yesterday's confirmation of the arrest of 14 alleged ETA members in the San Sebastian area. Basque sources said the police think that the state of emergency imposed on the Basque provinces of Guipuzcoa and Vizcaya last April 25 may be lifted on the 25th of this month.

100,000 cheer Makarios

NICOSIA, July 15. CYPRUS President Makarios, addressing a large gathering at the first anniversary of the army coup, declared the Greek Cypriots would continue the struggle "until we regain our full independence and the territorial integrity of our island."

The Archbishop, who was crowned estimated at 100,000, strongly denounced the former Greek military junta that had masterminded the coup against him. He said they had attacked the palace on the morning of July 15, 1974, "with paramilitary" and by bringing down the palace they had also "pulled down the walls protecting Cyprus' independence."

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Republic National Bank of New York

Consolidated Statement of Condition
JUNE 30

ASSETS	1975	1974
Cash and due from banks	\$ 66,396,868	\$ 50,484,989
Interest bearing deposits with banks	156,187,034	103,082,094
Precious metals	24,737,284	18,172,999
Investment securities:		
U.S. Government obligations	16,164,605	16,698,286
Obligations of U.S. Government agencies	56,798,399	63,936,778
Obligations of states and political subdivisions	135,483,313	106,129,625
Other	27,387,906	33,182,367
Total investment securities	235,814,223	221,947,056
Federal funds sold	42,500,000	65,200,000
Loans	640,977,140	518,478,085
Customers' liability under acceptances	77,874,934	45,909,972
Bank premises and equipment	13,057,673	12,600,522
Accrued interest receivable	19,037,643	15,090,242
Other assets	43,324,127	44,544,179
	\$1,319,906,926	\$1,095,510,138
LIABILITIES AND CAPITAL		
Deposits	\$1,044,256,264	\$ 897,078,583
Federal funds purchased		
Other liabilities for borrowed money	3,352,023	6,800,658
Acceptances outstanding	78,313,716	46,846,165
Mortgages payable	2,852,900	2,742,142
Accrued interest payable	37,408,419	26,549,163
Other liabilities	11,237,709	9,278,934
Unearned income	12,965,342	8,064,211
Allowance for possible loan losses	9,091,210	8,096,134
CAPITAL FUNDS		
Capital	808,000	808,000
Stockholders' equity:		
Capital stock	21,482,080	21,482,080
Surplus	43,502,511	22,466,261
Surplus representing convertible capital note obligation, assumed by parent corporation	14,052,000	14,980,000
Undivided profits	40,664,752	28,515,806
Total stockholders' equity	119,601,343	88,444,147
Total capital funds	120,609,343	89,252,147
	\$1,319,906,926	\$1,095,510,138
Letters of credit outstanding	\$ 40,992,776	\$ 58,360,808

BOARD OF DIRECTORS

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Caristo Construction Corp.

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CYRIL S. DWKE

Executive Vice President

EDWARD M. FULLER

Senior Vice President

Greenwood Mills, Inc.

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Vice President and

Secretary (Retired)

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MORRIS HIRSCH

Executive Vice President

Theodore W. Kheel

Partner

Battelle, Fowler, Lidstone,

Jeffin, Pierce & Kneel

WILLIAM C. MACMILLAN, JR.

President

William C. MacMillan

& Company, Inc.

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President

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EDMOND SAFRA

Chairman

Trade Development Bank

Holding S.A.



Fifth Avenue at 40th Street, New York, New York 10018

Member Federal Reserve System/Member Federal Deposit Insurance Corporation

(19 offices in Manhattan, Brooklyn, Queens, & Suffolk County)

An affiliate of TRADE DEVELOPMENT BANK HOLDING S.A. Luxembourg

Capital Funds including minority interest

In affiliated companies U.S. \$ 217,633,000

Total Assets U.S. \$2,136,521,000

(At December 31, 1974)

Affiliates and Representatives in:

Buenos Aires, Caracas, Chisasso, Frankfurt, Geneva, Luxembourg, Manila, Mexico City, Panama City, Paris, Rio De Janeiro, Sao Paulo

HOME NEWS

Pressure on CBI to adopt tougher line on £6 plan

BY HAROLD BOLTER, INDUSTRIAL EDITOR

LEADERS OF THE Confederation of British Industry will be urged to take a much tougher line over the Government's approach to the £6-a-week wage restraint at today's meeting of the confederation's policy-making council.

Mr. Claude Pike, chairman of the CBI's South-west regional council, intends to put forward a three-point plan which he hopes will be adopted by the council.

He will suggest that, during the period of wage restraint, the Government should withdraw current Industry Bill legislation, take positive steps to encourage strikes in breach of contract, and end deficit financing in the public sector.

Mr. Pike will warn the council that its South-west area believes that there could be an unexpected rise in unemployment and a fall in living standards unless the Government takes action

in this way during the period of wage restraint. The real purpose of the resolution from the South-west is to "ginger up" the CBI's national policy-making body and ensure that it did not adopt a "dove-like" attitude during the present discussions with the Government.

Although Mr. Pike's resolution appears to be critical of the confederation's leaders, they are likely to have some sympathy for his views to-day.

They are also annoyed that the Government's White Paper, published last week, gives the impression that the confederation fully supports all aspects of the Government's counter-inflation policy. In this respect, the White Paper is misleading according to the CBI.

For example, the preamble to the White Paper states that the Government, the TUC and CBI are agreed that the rate of inflation "should be brought down

to a level which will ensure that by the late summer of next year, the year-on-year increase in prices will be no more than 10 per cent., and that by the end of next year it will be down to single figures. They have also agreed on the pay limit needed to achieve this objective."

According to the CBI, this text implies that the confederation supported the Government's plan for a £6 upper limit on wage increases during the year beginning August 1.

This was not so. Although the confederation naturally supported any effort to contain inflation, it made clear during its talks with the Government that it wanted a ceiling on wage increases of 25 a week or a figure not exceeding 15 per cent, which was the lower.

Moreover, the CBI also wanted the Government to seek legal powers to enforce its pay policy immediately, rather than to wait, as the White Paper stated, to see if the pay limit was endangered.

Halibut's Thistle oil well tested successfully

By Ray Dafter

THE NORTH SEA Halibut Group of companies has successfully tested a further well on block 211/18 which goes some way to confirming the sizeable reserves in the Thistle field.

The well, number 211/18-3, produced a flow of 4,500 barrels of oil a day through a 400m. and 500m. barrels, although Burmah Oil Development, as operator for the group, says it is still too early to make an accurate assessment.

The semi-submersible rig, Bluewater No. 3, has been moved from the well to a new exploration location in the north-west of block 211/18 to carry out further tests.

The Halibut Group comprises Burmah, Champion Petroleum, (a Union Pacific Corporation subsidiary), Santa Fe Minerals, Deminor Oil and Gas (a subsidiary of Deutsche Erdöl- und Gasgesellschaft), Tricent, North Sea, and Charterhouse Securities.

Chevron Petroleum (U.K.) as operator for participating companies in the Ninian field, some 40 miles to the south of Thistle, has also announced satisfactory finds.

It said the appraisal well on block 3/3-5 had been temporarily abandoned having confirmed anticipated hydrocarbon accumulation in the western area of the field. The well was slow-testing in three oil zones, showing rates up to 10,300 barrels a day.

The rig Ocean Kukulri is to return to the field in August to investigate a deeper structure in the 3/3-4 well.

The 3/3-5 well was drilled jointly by participants including Chevron (24 per cent.), Burmah (30 per cent.), ICI (26 per cent.) and Murphy/Odeco (20 per cent.) and by the BP/Ranger group—licensees of the adjoining block 3/8.

Total reserves of the Ninian field are thought to be about 2bn. barrels.

Second Charter Consolidated chairman, Mr. S. Spiro, told the annual meeting in London that results of the first well drilled on block 210/19 in the North Sea, about 65 miles north of Thistle, are being assessed. It has been decided to sink a second well in the block with drilling starting hopefully in the second half of next month.

Charter Consolidated is a member of a consortium comprising Home Oil (operator), and a number of other U.K. investment interests.

Oil Exploration (Holdings), the Edinburgh-based oil and gas company and operator for the OEN group, said a well drilled in block 7/16 in the Netherlands sector had failed to find hydrocarbon reserves.

Tanker trade may founder, banker warns

By James McDonald, Shipping Correspondent

ANOTHER WARNING that the recession in the tanker industry is not likely to be short-lived and that the industry is "in peril of insolvency" has come from Mr. Peter Douglas, technical director, shipping, at Chase Manhattan Bank, London.

This follows warnings from a major oil company that the recession could continue until 1980.

"The independent tanker owning industry is in imminent danger of being virtually demolished by the weight of its own surplus ships," declares Mr. Douglas.

He foresees indefinite lay-up of about 20m. deadweight tons of tankers without industry involvement if the fleet is employed at rates around recent average freight rate assessment levels. But the idling of 40m. deadweight tons for a year or two "will quickly bleed the independent owners of their remaining resources," he writes in the latest issue of "Seatrade" magazine.

As a remedy, Mr. Douglas calls for faster scrapping of tankers, curtailment of deliveries of new tankers, and an appeal for support by Governments.

109 COMPLAINTS BY AIRLINE USERS

A total of 109 complaints were received in the first quarter of this year by the Airline Users Committee. Of these, 54 were against airlines and 55 against travel organisers.

More than half the complaints concerned flight arrangements, such as cancellations, delays or diversions. The committee was set up by the Civil Aviation Authority.

BLUNDELL'S OPENS DOOR TO GIRLS

Blundell's the 370-year-old public school at Tiverton, Devon, is to take girls next term. They plan to have a day girls in the sixth form within two years.

ITV chief condemns unions for 'effective censorship'

BY ARTHUR SANDLES

ITV COMPANIES are going to have great difficulties in seeing their contracts through to 1979 and the present system is "in jeopardy" because of the network's financial crisis, Mr. Paul Fox, joint managing director of Yorkshire Television, said yesterday.

Speaking at a Broadcasting Press Guild luncheon, Mr. Fox condemned unions for overmanning and what he claimed was effective censorship of programmes: expressed concern about stagnation in the industry; and said he was worried about the disturbance that might be created by the report of the Annan Committee on the Future of Broadcasting.

Over the last two years costs had risen by 27 per cent, but revenues had gone up by only 6 per cent. "Some of the smaller companies are facing difficulties already."

He did not think that any of the 15 independent television companies would refuse to sign the formal three-year extension of their contracts due this year, but in a clear reference to the Government to reduce the profit



Mr. Paul Fox, joint managing director of Yorkshire Television, said yesterday.

levy on them he said "something has got to be done."

Independent television was caught between bans on overtime and claims for payment for working new equipment. "There is crude overmanning on location work. The whole thing is ludicrous."

The result was a form of censorship, since companies could not afford to send eight people abroad to film a programme when four or five could do it. Yorkshire had cancelled three foreign projects recently.

The present cost of doing one Alan Whicker programme was £30,000, excluding salaries. Commercial television was in danger of stagnating because new talent could not be brought in. "Few, if any, new jobs are being created."

Natural wastage would not be replaced. Of Yorkshire's 900 staff only 29 people would reach retirement age within the next 10 years. With a new manning agreement, Yorkshire TV might be able to reduce staff by 10 per cent.

Engineering destocking almost over

By Peter Cartwright

THE MASSIVE de-stocking in the general engineering and allied industries which has been going on for a year or more seems almost to have run its course. In the fourth quarter replacement orders should match sales of most steel products held by stockholders.

Two factors that could postpone recovery in general steel sectors are long-term contracts to import steel entered into when British Steel Corporation supplies were inadequate, and—where big tonnages are involved—in merchants shopping in Eastern Europe, Japan and elsewhere for low price consignments.

While there is still a difference of opinion among steel stockholders as to when the market will "bottom out," the majority think this will occur in the fourth quarter.

Those specialising in stainless and alloy steels are more positive. They expect to see the end of de-stocking in September-October which, because of the intervention of the holiday period, virtually means at almost any time.

Nevertheless, everyone qualifies forecasts by distinguishing between stocks being brought into the right balance with sales, and an upward trend in business. This would require, they believe, more confidence in the future than is now apparent.

Consensus What is significant, however, is that despite the wide range of experience in the stockholding industry, a broad consensus is at last beginning to emerge.

In hindsight, some part of the recent trauma was due to misjudging the impact of last year's three-day week. It is now clear that productivity was then so high that the percentage added to steel orders later to meet an increase in output was scarcely ever necessary.

When business began to decline, stockholders found themselves with high stocks and up to 20 per cent. of orders committed long-term to overseas mills. And for every 10 per cent. fall in demand, replenishment orders probably needed to be cut by twice that to bring stocks into balance.

Demand for strip and sheet for kitchen equipment and the motor industry, for instance, has been halved, while steel for mining and energy programmes has been maintained at high levels, especially in the North-East. And demand for tool steel, say some of the principal stockholders, has been increasing.

BBC and ITV to test new way of measuring audiences

BY ARTHUR SANDLES

AN EXPERIMENT with a new method of measuring an individual's television and radio listening may lead the BBC and ITV towards co-operation in this field.

The experiment, involving the use of unmonitored diaries, will sides with assess all three methods, the new experimental system and the present systems at the two organisations. It will be decided whether it is possible for the two sides to get together.

Over the years both the BBC and the ITCA have jealously guarded their differing audience research techniques, which have sometimes produced widely varying results. Attempts at co-operation have foundered in the past, but with both organisations pressed for cash and the prospect of the Annan Committee recommending co-operation, they are being forced together.

The problem of co-operation in audience measurement is not as simple as it seems, since commercial TV, or certainly its advertisers, require very detailed and accurate pictures of the way in which viewers behave, not only in half-hour segments but also during programmes. Cost, however, is likely to play the biggest role in any final decision.

Vaccine against tooth decay

BY DAVID FISHLOCK, SCIENCE EDITOR

ATTEMPTS to develop a vaccine that might prevent dental decay in Kent are published in the current issue of the British Dental Journal.

Professor B. Cohen, one of the four authors, affirmed in a statement yesterday that the results offered the promise of preventing dental caries in humans by immunisation.

Professor Cohen acknowledged that research into the production of an anti-caries vaccine was being carried out at many different centres, but that publication of what he claimed to be the most extensive series of experiments yet completed was by 1977.

"certain to provide new impetus to this development."

Two types of vaccine have been tried by the scientists, who then fed inoculated animals on a diet designed to promote dental decay. The successful vaccine consisted of a whole or broken cells of the micro-organism streptococcus mutans, an organism known to be associated with dental caries.

Hoechst, the German chemical group, recently reported that it hoped to have vaccines against dental caries ready for clinical trials on primary schoolchildren by 1977.

Churches and charities obtain exemptions in Land Bill

BY JOE RENNISON

CHURCHES AND charities are to be exempted from the main provisions of the Community Land Bill for at least ten years. Under new provisions to be incorporated in the Bill they will be able to develop their own land for their own use without intervention from the local authorities.

They will also be exempt from Development Land Tax and will receive market value for their land if it is acquired by the local authorities.

These proposals were announced yesterday by Mr. John Silkin, Minister for Planning and Local Government at the final session of the Standing Committee considering the Bill.

If and when the Bill becomes law, the churches and charities will then be compensated for land at "prevailing use value"—that is comparable with the value of surrounding offices and shops.

Had the Bill gone through as it stands the churches and charities would have found themselves at a distinct commercial disadvantage in providing funds for their future work. All land for development was to be bought by local authorities at "current use value."

To the case of a redundant church or charitable institution, current use value could be virtually nil. There would be virtually no money for investment in new buildings on new sites.

Changed attitude Earlier this year, Mr. Silkin was present at 10 Downing Street when the church leaders put their case against the Bill. He seems to have changed his attitude, but "rather chilly" meeting.

He said yesterday the Government accepted that charities are in a unique position. "Traditionally many have provided services to the community that would otherwise have to be provided by central or local government and that is the sole reason they are in being. The problem when one is aiming at a wide social objective—that land values created by the community should be enjoyed by the community—has been to avoid damage to the more individual social objectives in the process."

Although local authorities would still retain the power to acquire this kind of land, the Minister said he would not expect this power to be used except for some special planning reasons.

Mr. Hugh Rossi, Tory spokesman on housing and land, welcomed the new provisions, particularly as they applied not only to churches, but to all charities. The changes were a mark of the success of the churches' campaign and a considerable climb down in the attitude of the Government.

Little hope for stranded vessel

CHANCES of saving the stranded and abandoned British coastal tanker Point Law, 2,000 tons, were being given as "almost nil" in the Channel Isle of Alderney last night.

The vessel, owned by Shell-Mex, was fast on rocks at the foot of 300-foot cliffs and had for hours been battered by heavy swells and winds of Force 6 and 8.

The grounding occurred at around 1.30 a.m. when the ship was en route in ballast from Guernsey to the U.K.

Shell-Mex in London yesterday could not confirm reports that the ship was breaking up but said that a German salvage tug was on the way. All 12 crew were safe, taken off by the Guernsey lifeboat and a French helicopter.

Cheaper rail family outing

BRITISH RAIL is to cut the cost of family day outings in the South-East this summer by offering a child ticket for 25p—irrespective of distance—with each Awayday ticket.

On a day trip to Margate from London, for example, the offer saves £1.10 on a child's fare—25p instead of £1.35. The scheme will run from July 19 to September 6.

IEA Persists with First Principles

FRIEDMAN "Unemployment versus Inflation?" £1.00

FA HAYEK "Full Employment at Any Price?" Just published £1.00

"The present unemployment is the direct result of the 'full employment policies' during the last 25 years. The sooner we take ourselves out of the fool's paradise the better the chance that we can keep the suffering short."

U.K. and Poland pledge improved relations

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

BRITAIN'S first Declaration of Friendship with a communist country was the main outcome of the visit to Poland by Mr. James Callaghan, the Foreign Secretary, which ended yesterday.

Under its terms, both sides are pledged to respect the freedoms and sovereignty of the other, and to work towards better political and economic relations.

Before he left Warsaw, Mr. Callaghan agreed that it was unusual for Britain to sign such declarations. But he said it anticipated the Helsinki Conference on European Security, which is due to be held later this month to normalise East-West relations.

The Declaration is understood to have been suggested by the Poles who already have such agreements with France, Belgium, Sweden and the U.S.

Mr. Callaghan's three-day visit which included a stay in Gdansk, the Baltic port, was given big

play by the Poles who are keen to expand their trade relations with Britain. As well as being received by Mr. Edward Gierek, the party leader, Mr. Callaghan met Mr. Piotr Jaroszewicz, Prime Minister, Mr. Henryk Jablonski, the Head of State, and Mr. Stefan Olszowski, Mr. Callaghan's opposite number.

Mr. Callaghan said he had been struck by the frankness of his talks and that he and his hosts had not wasted their time "walking around each other."

The main task after the Helsinki summit would be, he hoped, reduction in arms spending helped by the increased confidence that the summit would bring.

The Polish visit marks a significant step in Britain's improving relations with East Europe following the recent thaw with Moscow. Mr. Callaghan's trip in that direction will be to Hungary, but a firm date has yet to be fixed, and there are outstanding invitations to several other countries.

Lyons inherits problems as new RIBA president

BY H. A. N. BROCKMAN, ARCHITECTURE CORRESPONDENT

THE NEW president of the Royal Institute of British Architects, Mr. Eric Lyons, presides at his first council meeting to-day.

Mr. Lyons has succeeded Mr. Fred Pooley whose vigorous period as president has been fraught with financial administrative and operational problems. These have not been solved, they are particularly

obdurate, but the institute is not alone among its fellow professional bodies, all of whom seem to be struggling with similar difficulties.

Bureaucracy The new president has therefore inherited a troublesome situation. At the council meeting there are two major items for discussion: a report on professional competence (largely aimed at the improvement of architectural education in theory and practice) and his own report proposing a major administrative

re-structuring of the institute itself.

Mr. Lyons is well known outside the profession for his endeavours to establish a private housing association with SPAN Developments. He established with SPAN a highly successful style of housing design which received international recognition.

These schemes, which have received 13 national housing awards, are small in scale, often occupying restricted sites, but setting new standards in layout, landscaping and communal management.

He said: "The best way to deal with mass housing is not to have any. Housing design is the most difficult branch of architecture, yet bureaucratic pressures make it next to impossible to produce quality. The yards, for instance, produces preferred solutions—environmental or social considerations cost extra."

More lose jobs at Baker Perkins

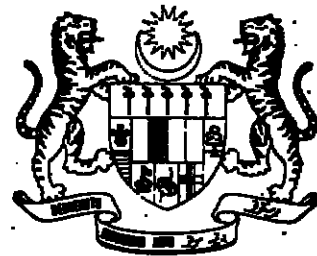
MORE REDUNDANCIES were announced yesterday by Baker Perkins, the Peterborough-based manufacturer of machinery for the baking, biscuit, chemical and printing industries. There will be 15 redundancies among filters at the Biting shop establishment at the Westwood, Peterborough plant, and a small number in associated staff areas to be announced later.

This follows a ban on overtime imposed earlier this month at

Westwood where around 2,000 are employed.

The company is also currently in the process of closing down Baker Perkins Developments at Twyford, Berkshire, where 70 employees are affected. There were another 350 redundancies as a result of the sale in February of the operations at the Douglas Rowson subsidiary at Basingstoke, which made mechanical handling and refrigeration equipment.

This announcement appears as a matter of record only.



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and

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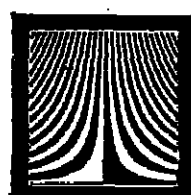
Chemical Bank • The First National Bank of Chicago • Manufacturers Hanover Trust Company
Morgan Guaranty Trust Company of New York • The Toronto-Dominion Bank • Wells Fargo Bank N.A.

United Malayan Banking Corporation Berhad • Asian International Merchant Bankers Berhad

Bank of America National Trust & Savings Association • The Bank of New York
The Bank of Nova Scotia • The Chartered Bank • The Detroit Bank and Trust Company
First Pennsylvania Bank N.A. • Irving Trust Company
Seattle-First National Bank • World Banking Corporation Limited

The First National Bank of Boston • First National Bank in Dallas • Girard Trust Bank
Midland Bank Limited • Midland and International Banks Limited

Bank of California N.A. • Commercial Bank of Australia, Limited
Dresdner Bank Aktiengesellschaft • The Fidelity Bank
The National Bank of New Zealand • National Bank of North America • UBAF Limited



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HANDLING

Abrasive materials by pipeline

HAVING successfully developed in the handling of other materials pneumatic conveyors for handling coal and "pipelining" it from storage to boiler, Macawber Engineering is now seeking to expand the use of its system which it claims can be made to handle a wide range of abrasive materials.

Materials in "grain" sizes up to 2 inches can be conveyed through sealed mild steel pipe and the company says up to 60 tonnes an hour can be handled over distances of 300 feet. The system is totally enclosed and dust-free. Experience has been built up

in the handling of other materials such as foundry sand and lime stone used in steelmaking. The company is marketing the system under the trade name Denseveyor and claims it combines all the benefits of conventional handling equipment. There are no prime movers or constantly moving parts.

One of its most successful installations is at Doncaster Royal Infirmary where it has been applied to an existing ground bunker and storage hopper arrangement for handling coal. Distribution of coal between four storage hoppers takes place

● INSTRUMENTS

Thermostat senses accurately

HIGH-RATED electric heat thermostats by Appliance Components are bimetal sensor thermostats available in two models—a single pole break (M-21SP) and a double pole break (M-21DP). Featuring heat anticipation for close temperature regulation, the M-21 employs a low thermal conductivity base which isolates switch heat from the sensing area.

Both thermostats have a Lexan 500 polycarbonate base, knob and cover. This material is strong, durable, warp resistant and safe. Both cover the range 50° to 90°F. Switching capacity is 22 amps at 240 volts ac non-inductive.

Appliance Components, Cordwallis Street, Maidenhead, Berks, SL6 7BQ. Maidenhead (0628) 32323.

Wide range timer unit

DESIGNED MAINLY as a complement to Shackman Instrument's 35 mm single shot remote control camera is an interval timer that should prove useful in other applications requiring accurate repetitive intervals and pulse lengths.

Intervals are set by adjusting a front panel thumbwheel switch between 0.2 secs. and ten hours. Pulse duration is similarly adjusted between 0.1 and 9.9 secs. in increments of 0.1 sec.

Mains operated, the unit has timing accuracy of mains frequency standards. Among the control features is a red indicator which glows during the pulse cycle. Timing is controlled by digital integrated circuits. Dimensions of the unit are 18½ x 7 x 3½ inches and all the controls are clearly marked on a brushed aluminium front panel set into a teak cabinet. More from the company at Mineral Lane, Chesham, Bucks (Chesham 4451).

Keeps lorry loads in place

FAST-ACTION load barriers to fill any space between the end of a short load and the rear bulkhead of a lorry's body have been introduced by Boalloy, West Heath, Congleton, Cheshire (02602 5151).

Made of aluminium, the barrier swings from the body's end wall on a counterbalanced parallel-arm linkage, remaining vertical whatever the distance

moved. When not in use it folds flat against the rear bulkhead. Any space up to four feet long can be filled by the barrier, according to specification. The barrier is held against the end of the load by straps with a snap-over tensioning buckle. The device is stated to eliminate the extra fastening and shoring normally required to prevent load movement.

Lightweight stacker

LOADS UP TO 3 cwt. or in a heavier duty model up to 5 cwt. can be lifted with a lightweight

construction, hand propelled, mobile stacker introduced by Type Truck and Trolley, First Avenue, Team Valley Estate, Gateshead-on-Tyne NE11 0PQ, Co. Durham (0633 877104). Lifting heights up to 10 feet are available with the smaller model, but 6 feet is the maximum for the 5 cwt. version. A winch, powered by a 12V battery, provides the lift and locks automatically when the motor is switched off. A manual lock is fitted. Circuit breakers cut off the current if the winch is overloaded.

The load is lifted with high-tensile galvanised steel aircraft cable and safety snaphooks. There are fixed castors at the front and swivel castors at the rear.

WELWYN has been in the hybrid laser market for ten years and is to expand production capabilities to keep pace with market demand in telecommunications and electronic data processing industries. The company's plant is being expanded and re-equipped with the most modern machines available, housed in a clean air environment compatible with microcircuit production. Investment during the next two years will be well over £500,000. In addition laser adjustment equipment, a new fully automatic

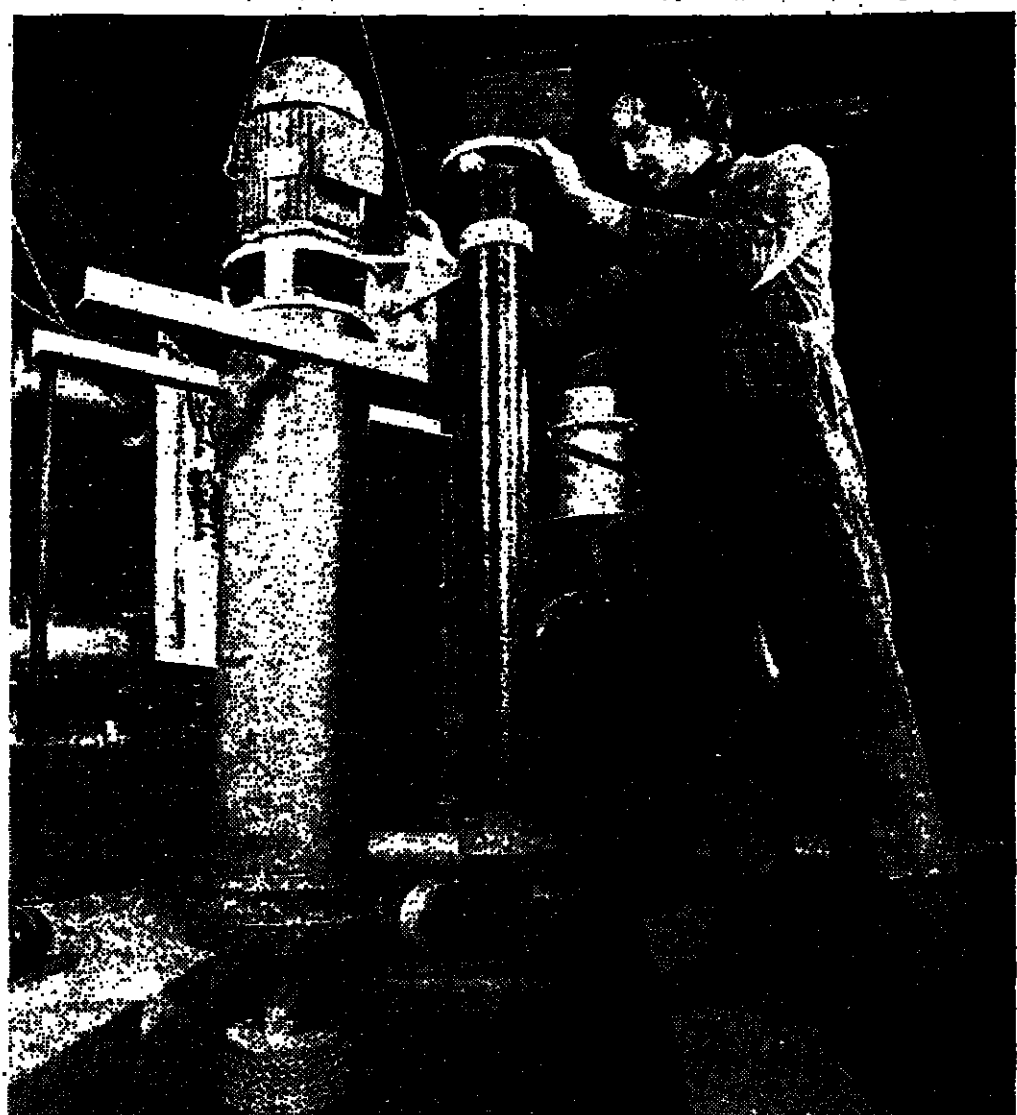
● ELECTRONICS

Expansion in hybrid production

WELWYN ELECTRIC, electronic components subsidiary of Royal Worcester has a substantially increased order book for professional hybrid integrated circuits and sees this accelerating over the next few years.

laser is being purchased and a further large investment is being made in automated process equipment, chip and wire bonders, hermetic sealing machines and quality control equipment for the more sophisticated professional and military markets. During the period of expansion Welwyn's labour force involved in hybrid circuit production will increase by 50-60 per cent.

Welwyn is at Bedlington, Northumberland, NE22 7AA. Bedlington 823181.



Testing a prototype extended shaft glandless centrifugal pump at the Greenhithe, Kent, works of A.P.V.-Kestner. The company is developing pumps of this type for use where corrosive effluent and other polluting liquids

are stored below ground level and require to be transported to a treatment plant or other process at ground level. It is expected that the new pumps will go into production shortly.

● DATA PROCESSING

Avoids need for morse operators

CODE CONVERSION equipment made by Pickering Radio Company of Rhode Island in the U.S. is to be marketed by Haster (Great Britain), Commerce Way, Croydon CR0 2XA (01-888 0901).

One of the equipments, known as a universal code generator has alpha-numeric keyboard operation and produces groups of dots and dashes to a total of six. The output is buffered, so that the operator has time to correct mistakes before transmission.

The user needs no knowledge of the outgoing code and the output speeds can be adjusted in one word per minute steps from 10 to 60 words per minute. The unit takes the place of the morse key

in connection to a radio transmitter.

Additional memory up to 2048 characters can be provided so that longer messages or repetitive head codes can be stored.

Also available is an equipment that will receive morse, convert it to 5 or 8 unit code and feed a teleprinter or strip printer; an alphanumeric art display can be provided. Where punched paper tapes have been produced for transmission a third unit will convert the characters to their international morse code equivalent.

Success for naked minis

AN INITIAL quantity of 50 minicomputers is to be supplied by Computer Automation of Watford to Linotype-Paul for use

in the recently announced "Lino-Screen 2" typesetting terminals.

This is a keyboard-operated video editing terminal. The minicomputers are for incorporation in the master terminals of such systems. Up to three slave terminals can be connected for simultaneous yet independent operation to them, thus providing economy in large-scale typesetting projects.

Units can be used "stand-alone" in which case they are equipped with paper tape punch and reader, or on-line — when they are interfaced via magnetic disc storage to the central processor.

The LSI-2 consists of a central processor board and a memory board, according to Computer Automation, and is the least expensive 16-bit minicomputer on the market to do the job required. This company is at 31 Clarendon Road, Watford, Herts. (0823 39627.)

● QUALITY CONTROL

Materials testing machine

VERSATILITY and flexibility normally found only in equipment costing more than double its basic price is the main feature of a low capacity testing machine from Dartec, Mill Race Lane, Stourbridge, West Midlands, (03643 77433).

The machine, which has a capacity of 50kN (5 tonf), can be used for tensile, compression, bending and shear tests on rubber, plastics, fabrics, timber and metals. Driven by a fast response servo-motor, it maintains the rate of loading or straining despite changes in

specimen characteristics and machine deflection. It can control gauge length extension directly with an infinitely variable straining rate. A variety of measurement and control options enable it to control loading or straining rates, to cycle load or strain between limits and to hold pre-set values. A typical installation costs between £4,000 and £5,000.

Measures optical density

QUALITY control in photographic processing and colour separation work in the printing industries is provided by a trans-

mission densitometer from Dik fusion Systems, 43 Rosebank Road, London SW7 (01-878 8211). Also suitable for semi-automatic measurement of X-ray plates and films (of interest where radiation levels are monitored for safety purposes), the instrument has three interchangeable aperture sizes (0.3, 2.0 and 4.0 mm), the smallest of which is suitable for measuring microdots on microfilm.

The unit measures optical densities from zero to three by means of two push button controls on the front panel and materials up to 610 mm wide can be dealt with.

A tightly sealed non-corrosible plastic top has been designed for handling wet negatives, and the general finish is stove enamel. A rubber ring prevents damage to negatives by the photoelectric sensor. The instrument weighs 14.1 kg.

High head Swedish pump

LATEST IN the Weda range of Swedish built electric submersible pumps, is the 4/6 inch 1700. Rated at 12.5kW, it is powered by a three phase motor, and is fitted with a shaft seal designed to require only one inspection a year.

With alternative impellers the pump offers a head of 260 feet or alternatively can be converted to a high capacity unit of up to 900 gal/min. A built-in starter and a spigot outlet are standard, or the pump can be supplied with a BSP or non-return valve outlet. A star-delta starter is expected to be available soon.

U.K. marketing is through M and K Tunnel and Civil Engineering, Thurcroft, Sheffield, (070984 5881).

Exchanging ideas

PHILIPS Analytical Department of Pye Unicam, in conjunction with the Department of Geology, Durham University, is organising a conference on "X-ray Powder Diffraction." It will be held at the University, September 15-19.

Aim of the conference is to widen the scope and acceptability of this technique, with emphasis on applications and results. The basic principles of the diffraction technique will be covered to enable prospective users to benefit from the conference but otherwise it is intended that the mathematical content will be kept to a minimum. Details from Mrs. E. Gammon, Pye Unicam, York Street, Cambridge CB1 2PX (0223 58986).

The seventh international conference on "Fluid Sealing" Tool Engineering Division, P.O. Box 88, Sachville Street, Manchester M60 1QD (061-238 3311).

PRODUCTS

High head Swedish pump

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DOWTY

worldwide
in submarine
cable laying
equipment

Cheltenham, England

● COMPONENTS

Encoder is immune to noise

FERRANTI'S 24M incremental digital optical encoder has been developed for check industrial and scientific applications requiring economic units of intermediate resolution possessing a high immunity to noise. Such encoders can be supplied to provide between 250 to 635 counts per revolution.

The 24M encoder produces two square-wave output signals separated in phase by 90 degrees, together with a once-per-revolution output pulse. Maximum speed of operation is 10,000 rpm. Output signals have a nominal maximum amplitude of 5V and can switch TTL logic up to 150m distant. A 5V d.c. power supply is required. A five-pin DIN standard connector is provided. The rotating assembly of the encoder is supported by sealed unit stainless-steel ball-bearings suitable for heavy duty industrial applications. Ferranti, Thornycroft, Dalkeith, Midlothian, EH22 2NG. (081-663 3821.)

● PROCESSING

High speed ribbon wire connections

AN electro-pneumatically operated machine for attaching crimp-on terminals to multi-conductor flat ribbon wire has been developed by Pressac of Leopold Street, Long Eaton, Nottingham (06076 4461).

Ribbon wiring—far easier to accommodate neatly in most kinds of electronic and electrical equipment—lends itself to automatic assembly provided that fast and foolproof methods are available for attachment to connectors. Correct wire depth insertion and absence of distortion are important factors in the

Pressac unit attaches ribbon wire of up to 10 ways in about six seconds. The complete sequence consists of separating, spreading, cropping to length and stripping the insulation from the individual conductors and pre-assembled wire terminals, and finally inserting into the connector housing.

Operating sequence is controlled by a Schrader "Multi-Module" pneumatic circuit in which all the pneumatic control equipment is condensed on to a single manifold, forming a kind of "pneumatic printer" circuit. Installation in machines is simple since few air connections need to be made. More from Schrader on Cannon 4011.

MACHINE TOOLS

Standards suggested

MACHINE TOOL Trades Association has prepared a revised draft standard, for submission to BSI, based on user experience, describing a metric series of machine tools and associated equipment.

The document updates and rationalises BS4125 part 4, first issued in 1968, and relates it to current ISO practice.

This draft standard is intended primarily for the machine tool sector, but it clearly contains wide applications to most other parts of manufacturing industry. Metric trapezoidal threads for lead and feed screw assemblies are the subject of another document, specifying a range of nominal diameters—10mm to 100mm, nominal pitches—2mm to 20mm and a broad range of tolerances for machine tool lead and feed screws and nuts.

Copies of MTFA Draft Standard No. 54—Machine Tool Components: Shaft Spacers, A4, is obtainable for 20p from 62, Baywater Road, London W2 3PH.

The No. 81 Standard on Threads is the same price.

NORTHERN TRUST BANK

THE NORTHERN TRUST COMPANY
Established 1889 • Member F.D.I.C.

CONSOLIDATED STATEMENT OF CONDITION

June 30, 1975

THE DIRECTORS

★
JOHN A. BARR
Dean Emeritus,
Graduate School of Management,
Northwestern University
KARL D. BAYS
Chairman,
American Hospital Supply Corporation
SILAS S. CATHART
Chairman, Illinois Tool Works Inc.
ALBERT B. DICK III
Chairman, A. & B. Dick Company
WESLEY M. DIXON, JR.
President, G. D. Searle & Co.
EDWARD S. DONNELL
President, Marcor Inc. and Chairman,
Montgomery Ward & Co., Incorporated
DOUGLAS R. FULLER
Vice Chairman, Nortrust Corporation
The Northern Trust Company
W. FENTON GUINEE, JR.
Executive Vice President
The Quaker Oats Company
CHARLES W. LAKE, JR.
Chairman of the Board and President
R. R. Donnelley & Sons Company
JOHN S. REED
Chairman,
Santa Fe Industries, Inc.
GILBERT H. SCRIBNER, JR.
President, Scribner & Co.
EDWARD BYRON SMITH
Chairman of the Board, Nortrust Corporation
The Northern Trust Company
HAROLD BYRON SMITH, JR.
Illinois Tool Works Inc.
SOLOMON BYRON SMITH
Vice Chairman, Nortrust Corporation
The Northern Trust Company
PHILIP W. K. SWEET, JR.
President, Nortrust Corporation
The Northern Trust Company
OMER G. VOSS
Executive Vice President
International Harvester Company

ASSETS

Cash and Due from Banks.....\$ 478,144,650
Securities:
U.S. Government..... 225,297,838
Federal Agency..... 11,591,040
Obligations of States and
Political Subdivisions..... 261,538,341
Other..... 13,791,368
Trading Account..... 133,527,724
Loans:
Federal Funds Sold and Securities
Purchased under Agreements
To Resell..... 344,550,000
Other Money Market..... 637,353,150
Other Loans..... 1,408,621,129
Direct Lease Financing..... 20,933,966
Buildings and Equipment..... 81,298,674
Other Assets..... 50,247,007
TOTAL \$ 3,666,894,887

LIABILITIES

Deposits:
Demand.....\$ 1,037,385,201
Savings..... 678,070,125
Other Time..... 470,045,666
Foreign Offices..... 639,395,332
Total Deposits.....\$ 2,824,896,324
Federal Funds Purchased and Other
Borrowings..... 500,758,184
Accrued Taxes and Other Expenses..... 52,143,233
Other Liabilities..... 17,128,803
Reserve for Possible Loan Losses..... 40,244,146

Capital Notes:

6¾% Due March 1, 1980..... 30,000,000
8.30% Due February 15, 1984..... 20,000,000

STOCKHOLDER'S EQUITY

Capital Stock—\$20 Par Value.....\$ 66,000,000
Surplus..... 74,000,000
Undivided Profits..... 21,724,197
Reserve for Contingencies..... 20,000,000
Total Stockholder's Equity.....\$ 181,724,197
TOTAL \$ 3,666,894,887

The Northern Trust Company
Wholly-owned subsidiary of Nortrust Corporation
Main Offices: 50 South La Salle Street at Monroe
Chicago, Illinois 60603 (312) 348-5500
Banking Corner and Operations Center: 125 South Wacker
at Adams, Chicago, Illinois 60606 (312) 348-5500
Bond Representative Office: New York
International Offices: London, Hong Kong, Cayman Islands
The Northern Trust International Banking Corporation: New York
Northern Trust Interamerican Bank: Miami
Wholly-owned subsidiaries of The Northern Trust Company

July, 1975



All of these bonds having been placed, this announcement appears for purposes of record only.

A/S ÅRDAL OG SUNNDAL VERK, OSLO
DM 40,000,000.—

8¾ % Bearer Bonds 1975/1981

Deutsche Bank
Aktiengesellschaft

Union Bank of Switzerland
(Securities) Limited

Bergens Privatbank

HOME NEWS

Gas prices may rise 20% to counter £40m. loss

BY RAY DAFTER

THE BRITISH Gas Corporation is anxious to increase prices by up to 20 per cent. later this year, in spite of the Government's new anti-inflation measures.

Sir Arthur Hetherington, chairman of the Corporation, said yesterday that the increase in the second half of the year would be required to improve the financial base of the undertaking. Further rises could follow in the long term if high rates of inflation continued and if, as expected, future supplies of natural gas were more expensive than the contracts negotiated in the late 1960s.

The Corporation is facing something of a pricing dilemma. On the one hand, it has a duty, as a nationalised industry, to exercise restraint as an anti-inflation example to the country. On the other hand, it has been told by the Government to make itself financially self-supporting. Indeed, it was given permission before the anti-inflation measures to apply to the Price

Commission for the increase which, if approved, would probably take effect in October.

There was no indication from either the Corporation or the Department of Energy yesterday that British Gas had been asked to alter its application.

The increase, which would follow a rise of an average of 12 per cent. earlier this year, is needed to counter another £40m. loss in the current financial year and to cover wage awards, rising costs and investment.

"It cannot make sense to be selling fuel at less than cost price," Sir Arthur says in Coal and Energy Quarterly, published by the National Coal Board.

"Gas is not yet back in the black even on conventional accounting principles, let alone what is necessary to replace assets at today's cost levels," he says.

A quarter of Britain's heating load was now met by gas. By most criteria it was the fastest growing industry in the U.K.

The programme of converting 13m. customers to natural gas, for instance, was rapidly approaching completion. An average daily use of 40m. cubic feet of gas would be reached this year — equal to 60m. tons of coal and four times the gas sold in the mid-1960s.

Without British natural gas, the country might have been importing 24m. tons more oil, thus adding £800m. to the oil import bill.

Although British Gas had benefited greatly from the North Sea gas reserves, there was a possibility that the industry might have to look again at coal for some of the raw materials by the end of the century.

As a result, British Gas had a vested interest in the continuation of a prosperous coal industry and was involved in research and development on coal gasification.

The former town gas plant at Westfield in Scotland had already been converted into a full-scale coal gasification unit, Sir Arthur said.

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Portuguese clothing duties welcomed

BRITISH clothing industry representatives yesterday welcomed the Government's decision to impose duties on imports of Portuguese outerwear.

Mr. John Williams, chairman of the Clothing Manufacturers' Federation, said that the Government's latest move was a step in the right direction, but there must now be action against other low-cost suppliers of clothing including the Far East and Comecon countries.

The federation wanted the surveillance licensing system which operates for textiles to be applied also to clothing.

The EEC countries said this week that they would be re-imposing duties on Portugal, which had recently exceeded ceilings set for duty-free imports of men's, women's and children's outerwear into the Community.

Men's and women's outerwear will be subject to a 10 per cent duty in the U.K. and children's wear to 6 per cent duty.

The threat from low cost imports to the European clothing industry and concern at delay in EEC implementation of the Multi Fibre Arrangement, which will allow for more orderly growth in supplies from the developing countries, have been discussed at a meeting in Venice of the European Association of Clothing Industries.

Moves by members of the Association to open membership to other countries have been dropped. British representatives opposed the move, claiming that priority at this stage should go to strengthening the association's effectiveness at the European level.

Steel works considers expansion

By Our Sheffield Correspondent
DUNFORD Haddfields is thinking of installing a continuous casting plant and ladle steelmaking unit at its Sheffield works, in spite of the slump in steel.

The company, one of Britain's largest independent alloy steel producers, is part of the Dunford and Elliott group. Existing steel-making capacity in Sheffield, after this year's successful introduction of a new arc furnace at the Brown Bailey melting shop should be sufficient for the next five years, the company believes. It now exceeds 400,000 tonnes.

Mr. Peter Edwards, chairman and managing director, yesterday said that various possible developments were being considered despite the steel depression and the subsequent fall in orders.

The company would also examine the feasibility of a move towards using some direct reduced iron pellets for steel-making if the quality of scrap continued to deteriorate and prices increased.

Design awards for Wales

PRINCE CHARLES yesterday called for better quality Welsh products to help boost exports. He was speaking in Newport where he presented awards to winners of the Design Council's "The Best of Wales" competition.

Holders of the award will be entitled to use a special Design Council label. The Prince of Wales said: "I hope this award will stimulate even further efforts to produce higher standards for Welsh products."

Mr. T. Mervyn Jones, chairman of the Wales Tourist Board, said: "For too long we have tolerated the selling and the making, mostly outside Wales, in Japan and Hong Kong, of things to buy allegedly Welsh, which are unadorned muck."

Toddlers 'need Minister'

The appointment of a Minister to protect the interests of Britain's under-fives was urged in a report "Who Minds" yesterday.

The report by the Community Relations Commission, also asks the Government to provide for the child care needs of young working mothers "with priority given to low-income families."

It also calls for local authority day care services staffed by childminders to enable particularly hard pressed, low income families to take advantage of the extra money brought in by mothers.

The report contains an examination of social workers, working mothers and childminders in the multi-racial areas of Manchester, Leicester, Lambeth and Slough.

Warm with some thunder

The Meteorological Office yesterday gave its forecast of U.K. weather from July 16 for the next 30 days as being warm and sunny spells with two or three short rainy spells with some thunder.

Temperatures are expected to be generally above average, while rainfall totals and sunbathing amounts are expected to be near average in all districts.

COMPANY NOTICES

BARCLAYS BANK LIMITED
NOTICE IS HEREBY GIVEN that the Board of Directors of Barclays Bank Limited will meet on Thursday, July 17, 1975, at 12.15 p.m. at the Bank's headquarters, 12, London, E.C.2.
D. M. JOHNSON, Secretary.

CHARTER CONSOLIDATED LIMITED
SHARE WARRANTS TO REDEEM
DECLARATION OF DIVIDEND
FOR YEAR TO 31st MARCH 1975

A FINAL DIVIDEND of 2.500000 per share in respect of the year ended 31st March 1975, is announced by the Board of Directors on the 3rd June 1975, will be payable on 10th July 1975, to persons presenting Council No. 20 detached from share warrants to bearer.

In terms of the limitation system of corporation tax in the United Kingdom, the dividend is not subject to deduction of United Kingdom income tax by the company but will carry a tax credit of 2.125121p per share.

Shareholders who must be left FOUR CLEAR DAYS for examination, may be examined between the hours of 10 a.m. and 2 p.m. at the company's offices, 12, London, E.C.2.

IN LONDON London Branch Reception Office, Charter Consolidated Limited, 12, London, E.C.2.
IN PARIS Credit Lyonnais, 75002 Paris, 75002 Paris, 75002 Paris.

LISTING FORMS may be obtained on application, 12, London, E.C.2.
NOTES Outstanding share warrants to bearer, the British South Africa Company and of the Central African Investment Corporation Limited should be exchanged for registered shares in Charter Consolidated Limited.

RAND SELECTION CORPORATION LTD. (Incorporated in the Republic of South Africa)
DECLARATION OF DIVIDEND No. 115

Further to the dividend notice advertised in the press on the 20th June 1975, the dividend rate applicable to payments in United Kingdom currency in respect of the year ended 31st March 1975, is R1.52337, equivalent to 20.55187p per share.

The effective rate of South African Rand to Sterling is 14.885 per cent.
ANGLO AMERICAN CORPORATION LIMITED (Incorporated in the Republic of South Africa)
D. M. JOHNSON, Secretary.

London Office 12, London, E.C.2.
Office of the United Kingdom 12, London, E.C.2.
Transfer Secretaries Charter Consolidated Limited, 12, London, E.C.2.

South African Townships, Mining and Finance Corporation Limited (Incorporated in the Republic of South Africa)
D. M. JOHNSON, Secretary.

DECLARATION OF DIVIDEND NO. 75 Further to the dividend notice advertised in the press on the 20th June 1975, the dividend rate applicable to payments in United Kingdom currency in respect of the year ended 31st March 1975, is R1.52337, equivalent to 20.55187p per share.

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APPOINTMENTS

United Biscuits
Deputy UK Buying Director

With a worldwide turnover in excess of £400,000,000, United Biscuits Group is the world's second largest biscuit manufacturer.

The man appointed will understudy and should logically succeed the present Buying Director (due to retire within two years) in the purchasing of raw materials and packaging to an annual value of £130m. His role will require UK and foreign travel and high commercial, numerate judgment.

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University ideals 'under attack'

By Michael Dixon,
Education Correspondent

THE FREEDOM and ideals of the universities were being put under threat by "the most philistine" Government in British history. Mr. Norman St. John-Stevens, Conservative spokesman on education, said in London yesterday.

Universities had made a major contribution to the country's culture, knowledge and wealth, he told the National Association of Conservative Graduates.

They were now facing the destructive policies of Lord Crowthurst-Hunt, Minister of State for higher education, who wanted to bring the supply of student places in different subjects into line with national manpower plans.

"Lord Crowthurst-Hunt can prate about 'excellence', but the truth is so often that today's relevance is to-morrow's irrelevance," said Mr. St. John-Stevens, who likened the universities to the grammar and direct-grant schools which the Government intends to abolish.

Appalling
"The idea of trying to attract more students to science and technical subjects with the emphasis on quantity rather than quality, on the assumption that scientific training equips students better than an education in the arts or humanities, reveals a paucity of ideas and a dearth of reasoning appalling even for this Government, which is rapidly — thanks to its policies in the arts and education — earning a reputation of being the most philistine in our long history."

The Conservatives remained unrepentantly and unreservedly pro-university.

The institutions must bear their share of the necessary economies in public spending, but it must not be more than their fair share. Their "independence, freedom and autonomy must remain sacrosanct however severe the economic hurricane blows."

Outlook in building industry gloomy

BY JOE RENNISON

A GLOOMY outlook for the construction industry is predicted by the National Economic Development Office committee for the building and civil engineering sector.

The committee, in its latest half-yearly survey, expects a drop in output of new construction of 5 per cent this year compared with last and very little improvement in 1976.

The reduction in output in 1975 does not apply evenly to all sectors. Housing output is expected to be much the same as last year with improvement in public housing offsetting a decline in the private sector. For the rest of the industry the outlook is grim and particularly gloomy for the industrial and commercial sectors.

Public sector construction is expected to show a reduction in output of 7 per cent compared with last year and no change in 1976. Some growth is still expected for water and sewerage works, but no recovery for other sectors such as roads, education and health.

Low levels of investment and a reduction in manufacturing output give a very bleak outlook for the industrial sector. It is thought that this will show a downturn of 10 per cent this year compared with last and a further fall of 8 per cent in 1976.

In the commercial sector the reductions are expected to be 10 per cent and 20 per cent respectively. Repair and maintenance work is also expected to show a decline.

Construction Forecasts 1975-1976; HMSO; subscription only, £3 a year.

Judge refuses order to paint makers

THE FRONT of the house in Lavender Sweep, Battersea, and Thomas Wellshead in particular, is its new coat of paint — until the court ruled against the paint makers.

The paint makers contended that the bizarre appearance of the house was shown by expert examination to have been caused by the builders' painter mixing the Van Dyke brown paint — which the house was meant to be painted — with another shade called Juniper Green.

Mr. Biggs and Mr. Wellshead maintained that only paint labelled Van Dyke brown was used, and that if some of the paint was Juniper Green it must have been wrongly labelled.

The house, said Mr. Justice Oliver in the High Court, is on a corner of the South Circular Road "and may be said therefore to command a wide section of the reading public."

But he refused to grant Bestobell an order requiring removal of the notice pending the action they are bringing against the builders, David Biggs and Thomas Wellshead in particular, is its new coat of paint — until the court ruled against the paint makers.

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Highlights from the Statement of the Chairman, Mr. J. V. H. Robins

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Learning to live with technology

By DAVID FISHLOCK, Science Editor

I ONCE saw a firework factory explosion in which several women were killed. I always thought the incident particularly tragic, for not only was the product itself frivolous but some of the employees had been foolishly enough to smoke at work.

I recount the story because it illustrates vividly the problem laid before a new policy-making body called the Committee of Experts on Major Hazards, set up early this year by the Health and Safety Commission. Created in the aftermath of the Flixborough explosion last summer, the committee is widely believed to be working towards some sort of licensing for industrial processes held to constitute a "major hazard."

Yet for exactly a century the manufacture of fireworks in Britain has been permitted only on licensed premises, under strict regulations. The Explosives Act of 1875 followed a one-man Government inquiry by Sir Vivian Majendie into a number of serious accidents in factories making explosives. There are only about 120 factories in Britain licensed to make explosives, ranging in size from the smallest firework factories to ICI's Nobel Explosives subsidiary with earnings of £107m. last year, and they can be policed by less than a dozen members of the Explosives Inspectorate.

the Health and Safety Executive—to which all the inspectorates (factory, nuclear, mines, etc.) report—Mr. Harvey is in a position to get something done. He has become chairman of the Committee of Experts on Major Hazards, a high-powered body which he wants to be seen neither as an ephemeral committee set up to spawn a single report and be heard of no more nor as a group of experts remote from public opinion.

The task of the Major Hazards Committee is to identify just what might be classed as a "major hazard"—other than nuclear installations—and to suggest how that hazard might be minimised. It sounds straightforward but in truth it is a complex and far-from-novel problem, albeit one aggravated by industry's enthusiasm over the past two decades or so to go for economies of scale and ever-bigger plants.

First question

The first question for this Committee is: What yardstick do we apply to risk? Given a measure of risk, the Committee can begin to think in terms of categories of risk and of a "league table" ranking industrial plants, much as cigarette brands are ranked by the Government in order of risk according to their tar and nicotine yield.

In fact, this question was being asked by the Factory Inspectorate some years ago. The only yardstick so far found is, basically, the amount of energy or toxicity being stored within a given volume. This essentially *ad hoc* approach—"simple, quick and pretty logical," as one official describes it—has served to isolate some high-risk situations and guide the siting of storage capacity for such potent chemicals as ammonia, chlorine and liquefied petroleum gas (LPG).

A closely related problem, also being studied by the Major Hazards Committee, is plant reliability. How far, for example, can the intrinsic risk of the chemical products or the reactions involved be traded off against the reliability of their containment and its control and instrumentation? We have come a long way since the manufacture of nitroglycerine sat you are three-quarters of the way to complete control of the



Mr. Bryan Harvey, chairman of the Committee of Experts on Major Hazards: The challenge now is to take the techniques used to develop advanced process technologies and apply them to making the technologies safe enough for a small, crowded island.

stool at the side of the reactor, so that should he doze he would promptly fall off.

A century ago boiler explosions were regarded as "acts of God," and beyond man's control. Nowadays boilers are made safe by applying high standards of engineering control to their manufacture, and by stipulating regular in-service inspection and testing. The incidence of boiler explosions has dwindled to something like one per 10,000 units manufactured.

The same high standards of manufacture and quality control may need to be applied to reactors, valves, inter-connecting pipework and all other parts of the containment of a chemical plant. The prevailing view of the factory inspectorate is that if you can get containment right

Limitation of risk is a third question being explored by the Committee. This is the principle used, for example, in making explosives, where process stages are isolated so that there is never enough stored energy present at any one point in the plant to set off an explosion at another point.

At Ardeer in Scotland, where Nobel's Explosives operates Britain's biggest explosives factory, nitroglycerine is made on a hilltop in a plant run remotely by closed-circuit TV. Should it explode—it has not done so yet—the plant will expend most of its energy harmlessly into the sky. The nitration process involved is controlled from a bunker at the foot of the hill, behind three feet of concrete.

There are many ways in

which risk can be limited by careful attention to the layout of the plant. The Nuclear Installations Inspectorate, for example, spotted a weakness in a nuclear power station design where all emergency power supplies, on which plant safety would depend if normal supplies were interrupted, had been put in one place. What happens, asked the nuclear inspectors, if a cloud of gas leaking from some adjoining plant should settle over the standby equipment, so that it is starved of oxygen?

The fourth and final area being explored by the Hazards Committee is to what extent new planning controls are required on the siting of plants. With an explosives factory or a nuclear installation the practice is to allow for a generous "green belt" around the plant. There are strict controls on the population density permitted within about a one-mile radius of a nuclear station, to facilitate evacuation in the event of the release of a radioactive cloud. What is more, no one is allowed to build close to the fence of a nuclear plant, whereas chemical plants at present may have houses or schools right up to the boundary fence.

No such thing

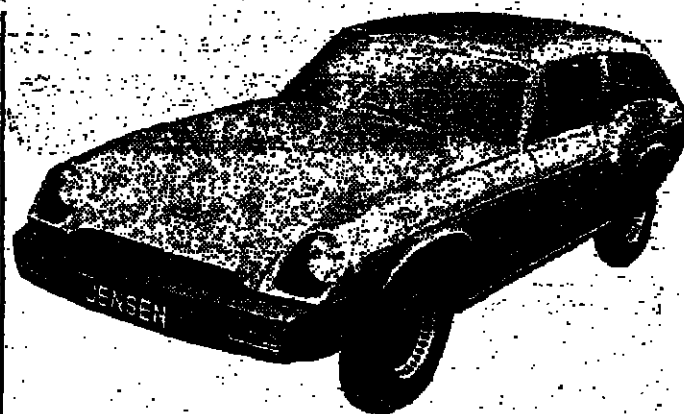
Second, there is no such thing as absolute safety for industrial plants. In other spheres of activity—car driving and cigarette smoking are obvious examples—the public cheerfully accepts a trade-off between the advantages and the risks. Scant public attention is paid to the 50-odd coalminers killed every year, except when several die in a major disaster. The Major Hazards Committee could help the public balance benefit against risk in the case of industrial activity, not least by finding some way of measuring risk.

Common theme

These four areas of inquiry by the Committee have one common theme: On what terms can we come to live with technology? As Mr. Harvey stresses, the challenge now is to take the techniques used to develop advanced process technologies and apply them to making the technologies safe enough for a small, crowded island.

Neither does the Health and Safety Executive find this approach in conflict with public opinion, despite the publicity given to those who oppose technological progress, nuclear or whatever. The most common unsolicited reaction, officials assert, is for people to say: "Let's have it—but not near me."

But there is widespread public interest in industrial hazards, they acknowledge, stimulated by such events as the Aberfan tip disaster and the Flixborough explosion, whose effects were felt well beyond the factory fence, and



Jensen GT: high performance in a family saloon.

Jensen launches new hybrid saloon car

By TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

ANOTHER competitor in the growing market for versatile 700 in the last 12 months, sports cars that can double as family saloons is launched today by Jensen, the West Bromwich GT model.

The company aims to sell most of its potential production of 40 a week in the U.S., with only about a dozen a week in the U.K. most of the Healey's running gear—including the 2-litre Lotus-made engine—and some of its body panels.

The rear end has been changed and "lifted" to accommodate a "tailgate" rear window, while the small individual rear seats can be folded forward for additional luggage space. The car will sell for £4,198 including car tax and VAT, which is slightly more than the Reliant Scimitar's £3,811, and well over the Ford Capri 3000 Ghia (£3,099).

Lancia, the Italian specialist car manufacturer, has also recently launched a similar car in its HPE model based on the Beta Coupé, and powered by 1600 and 1800 cc engines.

Jensen, which has trimmed its

Drink and drive laws may be made tougher

TOUGHER LAWS are likely to be introduced against drinking and driving, Dr. John Gilbert, appointed as Minister of Transport a month ago, hinted yesterday.

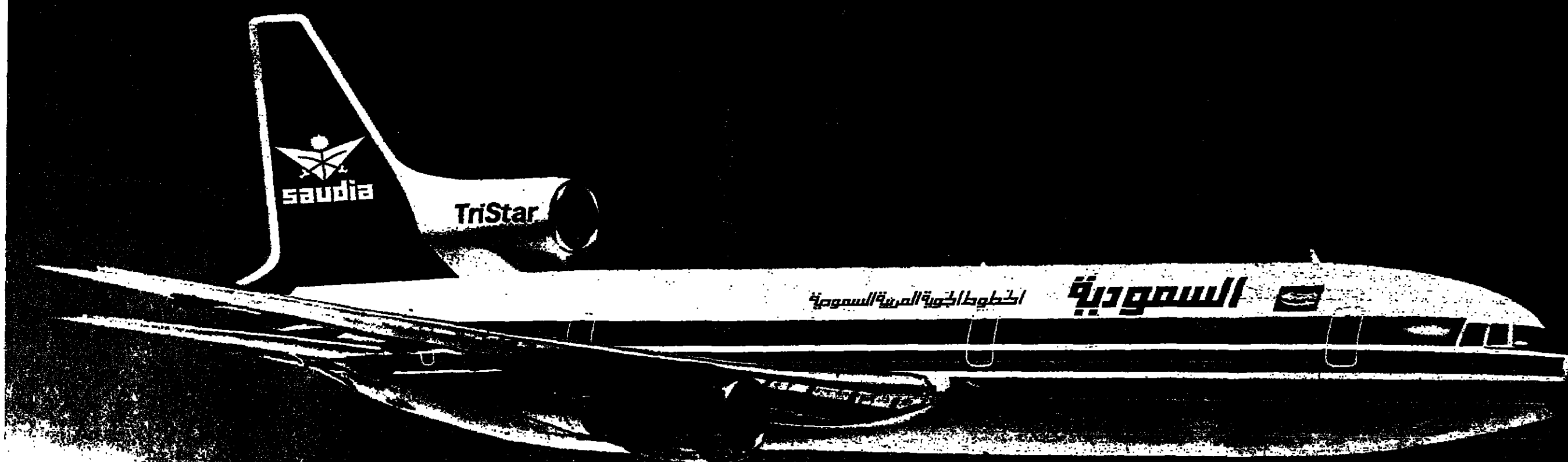
"There are far too many loopholes to be exploited. I am determined to do something about it," he said. "I am sick and tired of the man who has been convicted of drinking and driving being the object of sympathy among his friends. He should be regarded as a highly dangerous criminal."

Between the ages of 16 and 24, driving under the influence was the biggest single killer in altered Britain. He did have sympathy, however, for the driver who lost his licence through the "totting up" procedure under the speed limit in use for some time. He also favours reintroducing a national scheme for cycling proficiency.

The Minister is also interested in introducing tests on commercial vehicles for noise and pollution after the vehicle has been in use for some time. He also favours reintroducing a national scheme for cycling proficiency.

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LABOUR NEWS

Board to be set up by Government to advise on 'lump'

THE GOVERNMENT is to set up a Construction Industry Manpower Board to advise it on the effect of measures designed to tackle abuses of the "lump" — the widespread bogus self-employment in the construction industry.

Mr. John Silkin, Minister for Planning and Local Government, said in a written Commons reply yesterday that the Board would include representatives from both sides of the industry, under an independent chairman.

He told Mr. Tom Ikin (Lab., Houghton-le-Spring) that he did not propose to bring forward separate legislation for the time being. "Instead, we shall concentrate our attack on the abuses of the 'lump' through the Finance Bill measures which are due to come into operation early next summer."

An amendment had been tabled to the Finance Bill to add the possession of adequate public liability insurance to the other conditions to obtaining a subcontractor's tax certificate.

The question of introducing a levy would be considered after a year's experience of 700 working of the revised Inland Revenue scheme.

Mr. Silkin said: "The Minister's announcement confirmed that a plan for a statutory register of contractors with penal levies on those who employed unregistered firms or individuals has been dropped."

However, the advisory Board — to be set up very soon — will

conduct a review early in 1977 and will say whether further measures, possibly along the lines originally proposed, are required.

With the continual postponement of the proposed Bill (whose outline was first drawn up by Mr. Silkin in 1970), union leaders have not been unduly surprised at the decision. They hope that the Manpower Board, although a long way short of what they envisaged, could eventually be the instrument for full-scale decasualisation of the industry — a massive task that would take many years.

The reason for the Government's change of heart is principally that it believes a tighter tax system will do most of the work, helped by the recession in the industry, which is unfavourable to "lump" workers.

There have also been disagreements in the Cabinet about the workability of the bigger Bill originally proposed.

In the meantime, the Government is saving about £2m. a year — the estimated cost of 700 personnel and offices that would have been needed to run a statutory register.

The National Federation of Building Trades Employers welcomed the news that the original Bill had gone and said that it would give a considerable boost to its own voluntary register.

It was writing to see how far registration of firms and individuals has been dropped.

However, the advisory Board — to be set up very soon — will

Atomic unions to decide soon on claim for 50%

BY CHRISTIAN TYLER, LABOUR STAFF

UNIONS representing about 9,000 atomic power workers employed by State-owned concerns are to decide soon whether to tone down a wage claim — submitted before Friday's White Paper was published — that seeks to add 50 per cent. and more to present wages.

The Atomic Energy Authority and British Nuclear Fuels, faced with claims for £24 a week extra for craftsmen and £20 a week for process workers, will meet the unions again next week.

Of the unions involved, the Transport and General Workers Union and the General and Municipal Workers Union are likely to rest content with the £5 a week flat rate increase

allowed by the new White Paper guidelines.

The stance of the Amalgamated Union of Engineering Workers in one of the first tests of its negotiators' compliance with the new limit — is far less predictable.

The AUEW is opposed to the flat-rate principle, because it works against craftsmen's traditional differentials and it has also declared itself against any form of wage restraint or the social contract.

The stand was taken several weeks ago at the union's annual conference. The AUEW leader, however, has not yet reacted to the terms of Friday's

White Paper and a meeting of the union's engineering section national executive yesterday did not discuss the question.

The AUEW is in a minority on the union side of the negotiations for atomic workers — whose settlement is due in October — and it is dealing with a public-sector employer presumably under the strictest Government instructions to make this a "model" settlement.

The claim — similar at both atomic authorities — is for £24 a week more for craftsmen now receiving from £40 to £45 a week in basic rate, threshold money and other special payments, and £20 for general workers receiving from £30.70 to £40.47 a week.

We stick to White Paper policy, says BA chief

BY LORELES OLSLAGER, LABOUR STAFF

BRITISH Airways yesterday told its managers and staff that it was willing to accept disruption of services rather than violate the Government's new counter-inflation strategy.

Mr. Henry Marking, managing director, issued a directive to all his executive staff saying that no one in British Airways was to take action of any sort that violated the policy.

If adherence were to lead to a disruption of services through industrial disputes "then this consequence must be accepted."

Mr. Marking's directive, the airline said, covered "all negotiations, discussions or exchange of any sort with the staff or trade unions on pay, conditions, non-wage benefits, allowances, hours of work, or any other provision which will increase money paid to the staff or reduce the work they do for the money they receive."

British Airlines' determination is being subjected to a minor test by the three-day old strike

of the overseas branch catering staff at Heathrow airport, who are demanding pay parity with engineering and maintenance workers, a supplement for work involving the DC 10 and increased meal allowances.

The 370 strikers refused at a meeting yesterday to return to work in return for a promise to include them in a longer-term plan for work restructuring.

The caterers' action is embarrassing Heathrow representatives of the Transport and General Workers, whose union has fully endorsed the new pay policy, and who now have to try to channel the demands into a form compatible with the policy.

Strike ends

About 1,300 engineering workers employed at Renold group factories in Bradford yesterday ended a five-week strike in support of a 30 per cent. pay claim. They accepted an offer of about 14 per cent.

Scots bar ambulance pay deal

By Our Labour Staff

A NEW PAY and grading structure for about 2,700 ambulance controllers, worked out by the Department of Health and trade unions, has failed to satisfy the controllers in Scotland who have already resorted to industrial action in support of a better deal.

The new structure became necessary because ambulance controllers have been transferred from local government employment to the Department of Health.

The Scottish officers, who complain that their conditions have worsened as a result of the transfer, have been doing emergency service only for several weeks. They will meet to-day to decide what further action to take.

But most union delegates are in favour of the new deal, which provides for £3,200 a year minimum and £5,751 maximum for controllers doing day work.

Hoses ban STAYS DESPITE RAIN

The South West Water Authority is maintaining its ban on the use of hosepipes — despite heavy rain during the past week.

A spokesman for the authority commented: "The rain has helped reservoir levels considerably — but not to the extent that we can bring off the ban, especially with the peak tourist trade in full flow."

The water level of the reservoir supplying Plymouth has risen 15 inches in the past few days, but is still 34 feet below capacity.

Workers could gain wide-ranging rights by autumn

BY JOHN ELLIOTT, LABOUR EDITOR

NEW WIDE-RANGING rights for trade unions and workers are expected to be introduced progressively in the autumn after the rapid progress being achieved in Parliament by the Employment Protection Bill.

The Bill should end its Commons Committee stage next week, and will then be in line to receive Royal Assent in October, about three months earlier than had been feared by some Ministers earlier this year.

Few changes have been made to it during its Parliamentary path and the Government will come under pressure from the TUC to introduce key parts of it as quickly as possible after October. It is unlikely to be fully implemented, however, until well into next year.

First, the TUC will want Mr. Michael Foot, Secretary for Employment, to use powers he has taken in the Bill to introduce the temporary employment subsidy announced this year by the Chancellor.

The subsidy is intended to encourage companies facing financial difficulties either to keep on workers it would otherwise lay off or to retain them in advance of redeploying them to other work.

So far, the Government intends to make the subsidy available only in development areas, but it has come under pressure from the TUC to extend this at least to include other companies poised to take advantage of an upturn in world trade.

Senior Ministers discussed the matter with the TUC during the talks which preceded Friday's anti-inflation White Paper and now are expected to tell the TUC this week that the application cannot be extended widely because of Common Market restrictions.

Ministers will also point out that nearly half the working population is in development areas and therefore, would qualify under present proposals.

Whatever the outcome of this detailed argument, the TUC will want the Government to introduce the subsidy, with trade unionists playing a part in its administration, as soon as the Bill's enactment makes this possible.

The TUC will also want early implementation of other provisions specially relevant at a time of rising unemployment, such as the introduction of statutory guaranteed week payments, which the Government has estimated will add £20m. a year on industry's costs.

It will also demand the section of the legislation forcing employers to disclose redundancy plans and to discuss them with employees.

The Government, however, may be loth, at a time when it is operating a formal wages policy, to implement provisions for the Central Arbitration Committee, which is to be set up within the Advisory, Arbitration and Conciliation Service, to set local pay norms.

This provision involves unions being able to apply to the Committee for arbitration on a claim that an employer should raise his employees' wages to the levels paid to comparable workers elsewhere in the same industry and the same district.

It is seen by some union leaders as a means of forcing employers of low paid labour to raise their wages and might be used, if implemented soon, either to force the hand of employers trying to get away with paying less than the £5 a week limit or to make them pay more by proving that their wages are more than £5 out of line.

The TUC certainly seems unlikely to be willing to see this provision delayed, but Ministers, warned by employers that it could have sizeable inflationary effects on local pay levels, may try to delay it for some months.

New laws planned for accidents at work

By David Fishlock

EMPLOYERS will be required to report any accident at work serious enough to keep an employee away for more than three days, under a new proposal issued yesterday by the Health and Safety Commission.

The proposal, made in a nine-page consultative document being distributed by the Commission, through the TUC, the CBI and local authorities, is that from July 1, next year all accidents at work defined as "serious bodily injury," as well as all fatalities, shall be reported to an enforcement agency of the Health and Safety Commission.

The new legislation would also apply to such premises as research establishments and to the public in the case of self-service laundrettes. Self-employed people who had accidents would also be required to report them.

It would not apply to railway or flying accidents, however, or to road accidents, except where they concerned people carrying out repairs or services or transporting a dangerous substance.

The purpose of the proposed legislation is to provide the executive with more information, which should enable it to investigate causes of specific accidents and dangerous occurrences more quickly.

Consultation Document on the Notification of Accidents and Dangerous Occurrences, published by the Health and Safety Commission, Baynards House, 1, Chepstow Place, London, W.2.

Civil servants total increases by 1,700

BY OUR LABOUR CORRESPONDENT

THE NUMBER of white-collar civil servants rose by about 1,700 in 1973, mainly as a result of additional staff being taken on by Customs and Excise and the Department of Health and Social Security.

Figures published by the Civil Service Department yesterday show that between January, 1973, and January last year the total of non-industrial civil servants rose from 692,656 to 694,354. This was largely because additional staff was needed to implement Value Added Tax and more complex social security benefits.

The totals hide a considerable wastage among white-collar civil servants dropped during the first half of last year from the peak 1973 totals of 16,000 men and 28,000 women to 4,000 and 10,000, respectively.

A Civil Service review team suggests that the exceptional wastage of 1973 was partially because of the unsatisfactory pay situation arising from the Conservative's counter-inflation policy.

Statistics show that the percentage of women civil servants rose from 40 to 42 per cent. during 1973, with women of 45 and over making up 17 per cent. of staff as opposed to 16 per cent. a year earlier, reflecting the growing trend of recruiting older married women into clerical grades.

Wastage among white-collar civil servants dropped during the first half of last year from the peak 1973 totals of 16,000 men and 28,000 women to 4,000 and 10,000, respectively.

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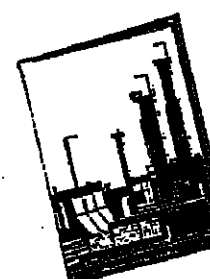
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Duke takes seat after 53 years

THE FRAGILE figure of the seventh Duke of Leinster, 83, quietly took the oath of allegiance in the Lords yesterday after 53 years as a Duke. Edward Fitzgerald, who is Ireland's premier peer, will be the first Duke of Leinster to sit in the English Parliament for 80 years—since the death of his father, the fifth Duke in 1895. He succeeded his brother to the title in 1922.

It was a quiet but emotional moment when the Duke—debarred from taking his seat from 1922 until 1970 because of his bankruptcy—approached the Clerk's table, took the oath of allegiance to the Queen, signed the Roll of the House of Lords and approached the Woolsack to shake hands with the Lord Chancellor, Lord Elwyn-Jones.

The Duke's marked contrast to the introduction a few minutes before of Lord Ryder of Keston Hastings—formerly Sir Don Ryder—which was conducted in full ceremonial robes as is customary for first creation peers.

Free school milk plea

LACK OF FREE school milk was forcing children from the poorest homes to go all day without drinking water, Mr. Robert Kilroy-Silk (Lab., Ormskirk) said in the Commons yesterday. He pressed for the immediate re-introduction of free school milk.

"It is unreasonable to expect children to go a whole day without drinking water. This would lead to immediate water famine if it happened in a factory or office," he declared.

Education Secretary, Mr. Fred Mulley, told him that immediate re-introduction would not be possible because legislation was needed which could not be fitted into the Parliamentary timetable. "It is against the background of Parliament and the economic situation that we are considering what to do," he said.

Bill of rights wins support

A BILL OF RIGHTS designed to safeguard people's basic rights was given a formal first reading in the Commons yesterday.

MPs gave leave to Mr. Alan Beith (Lib., Berwick-upon-Tweed) to introduce a private member's measure based on the European Convention on Human Rights.

Mr. Beith said a Bill of Rights could provide "a trip-wire" a process requiring Parliament and the community to think again before abrogating a basic right. "We should work towards a new constitutional settlement with a formal written constitution."

Civil liberties had been severely limited for years by measures like the Official Secrets Act, which went further than necessary in restricting rights.

Cost of cars for Ministers

COST OF providing cars for Government Ministers was £500,000 in 1974-75, Environment Under-Secretary Ernest Armstrong, said in a Commons written reply yesterday.

Intercom and Interbrabant plan to merge

BRUSSELS, July 14. MANAGERIAL BOARDS of Union Intercommunale des Centrales Electriques du Brabant (Interbrabant) and Cie. Intercommunale Belge de Gaz et d'Electricite (Intercom) have announced plans for merging the two electrical and utility companies.

Under the plans Intercom will absorb Interbrabant with holders of seven ordinary shares of Interbrabant being offered six Intercom shares. Extraordinary shareholders meetings will be called to vote on the proposals, a date for these meetings has not been announced.

Major single shareholders in both companies are the Belgian Espinasse Group, the Electrolux group and Imperial Continental Gas association, of the U.K. APJ

Longer range TriStars delivered

THE FIRST of the new extended-range versions of the Rolls-Royce powered Lockheed TriStar was delivered yesterday to Saudia, the Saudi Arabian airline, at Palm-dale, California.

Designated the 1-1011-100, the aircraft offers up to 800 nautical miles longer range or bigger payload than the TriStars now in service with eight airlines.

Saudia has ordered four of the 233-seaters for delivery over the next three years, and beginning in 1977, the airline will equip its TriStars with the increased thrust RB 211-524 engine, becoming the first TriStar customer to do so.

The new aircraft will enter service between London and Riyadh on August 15.

Selling to critical customers

BY PHILIP RAWSTORNE

MR. HAROLD WILSON did not find the Commons an easy market yesterday in which to sell the Government's new pay policy despite its adroit political wrapping.

Not that there was any lack of customers eager for an effective anti-inflation package. Millions of people were waiting for one, Mr. Douglas Hurd, Tory MP for Mid-Oxford, informed him.

But would they buy the Government's? Not until it looked less like a bag of party tricks; not until it was guaranteed by the "authentic voice and language of a Prime Minister," Mr. Hurd suggested.

Brilliant at this reflection on his salesmanship, Mr. Wilson quoted a few straight Prime Ministerial advertisements for the package. "The Government will take whatever action is necessary to fortify the efforts of industry... will not lack courage and determination."

Despite the Government's chivvying, the Commons had achieved a series of measures broadly acceptable throughout industry, Mr. Wilson claimed.

But not acceptable to the Labour Left wing, Mr. Dennis Skinner, MP for Bolton, intervened with an unnecessary reminder.

Was it the politically motivated oil sheikhs who had persuaded the Government to retrieve this dismal policy from the second-hand shelves of 1968, he asked bitterly.

"Isn't it sad, tragic, that we have a Labour Government headed by my Right Honourable Friend," he added, amid the cheering agreement of the Tories, "that, faced with either changing the system or propping up capitalism, has placated once again the natural enemies of the Labour movement?"

Whatever Mr. Skinner's view, the trade unions did not share it. Mr. Wilson retorted curtly. The policy was a joint venture.

But the Prime Minister's authentic voice relapsed into ambiguity as the Opposition picked critically among the contents of the package.

No, they would not have been reinforced by further public spending cuts, he insisted. No, there was no contradiction between the effects of the policy and the rejection of more unemployment.

Receiving little support from the Government benches—where Mr. Eric Ogden and others were fuming about the delay over their pay increase—Mr. Wilson was pressed by Liberal, Mr. David Steel, to say what would happen

to companies pressed by strikes to pay more than the 50 limit.

"They would have the whole, organised, trade union movement on their side," he replied to a burst of sceptical laughter. "And if there were a real threat to the policy, the Government would not hesitate to introduce statutory powers."

The TUC had gone further in support of the Government than ever before in peace or war, Mr. Wilson declared, merely rousing more laughs with the reproval.

But how far would the Government go in supporting firms who might be driven out of business by carrying out the policy? Mrs. Margaret Thatcher demanded.

If the policy is in danger, we shall not hesitate to take action of a legislative kind," repeated Mr. Wilson. There had been some discussion of the possibility of co-operative action among employers, he said. And he added darkly: "If there is a concerted attack against the policy, then the Government will not hesitate to introduce further legislation to deal with the situation."

But before anyone could discover whether that amounted to a new indemnity on the policy, Mr. Wilson had turned to the security of Europe.

Security summit is step towards better relations, says Hattersley

BY JOHN HUNT

THE PROPOSED summit meeting on European security in Helsinki on July 30 would be only one step along the road to a better relationship between the 36 countries involved, Mr. Roy Hattersley, Minister of State for Foreign Affairs, told the Commons yesterday.

He took a cautious attitude towards the possible outcome of the meeting and emphasised that he was not for one moment suggesting that Britain would be able to reduce its defence efforts as a result. Defence and detente had to go hand in hand.

Mr. Hattersley, replying to a debate initiated by the Conservatives on the European Conference on Security and Cooperation, pointed out that there were still several snags that had to be removed if the summit was to take place at all.

Eyes open

For the Opposition, Mr. Reginald Maudling also took a cautious line and gave a cool and thoughtful appraisal of the situation in what was his first major speech in the House as "shadow" Foreign Secretary.

"Anything that contributes to detente and disarmament is to be welcomed. But let us keep our eyes very wide open," he said.

Mr. Hattersley stressed that the conference was not intended to define the post-war map of Europe nor would it affect the legal standing of existing frontiers. It was not a second Treaty of Vienna.

Nothing which had come out of the talks held in Geneva so far in any way justified the standing down of a single soldier or the making obsolete of a single tank. But if the proposed talks were signed, then great international odium would attach



MR. ROY HATTERSLEY Cautious attitude.

to any nation which failed to observe them.

He emphasised that there were still a number of issues outstanding and until they were resolved there could be no absolute certainty that the summit would take place on July 30.

Long way

The summit was not an established fact. It was, at the moment, a hope. However, if it did not take place, there could be a general souring of the atmosphere.

Mr. Hattersley was emphatic that the West had made no damaging concessions to the East during the talks. He declared: "We can say without doubt that no position which the West needed to hold has been sacrificed in order to get overall

agreement."

Despite the achievements of the discussions in Geneva, there was still a long way to go. If anyone doubted this, they should examine the Soviet Union's increased defence expenditure year by year.

We had to be ready and prepared but he did not regard this state of readiness as the way that Europe must live for centuries ahead. We had to see a more co-operative relationship.

Mr. Maudling told the House: "The signing of an agreement in Helsinki would not justify the standing down of a single soldier in NATO. The real way to disarmament is by mutual and planned force reduction."

He gave five conditions which the Conservatives would want to see observed at Helsinki:

The West should not let its guard down; the conference should not just result in partitioning the world into East and West; it must not be an occasion for pushing the military problem out of Europe and into the Indian Ocean; and there must be confidence that whatever was agreed must work in practice.

Mr. Hattersley (C, Stretford) claimed that a pro-Communist line was being taken by the BBC overseas services towards Portugal.

Mr. Churchill declared: "Two democratic party leaders in Portugal have told me that the BBC overseas services was putting out a directly pro-Communist line, in many instances when the great majority of Portuguese were listening."

Most of their Press are controlled by the Communists. The one hope of the Portuguese is to get outside information from the BBC."

Intervening, Mr. Russell Johnston (L, Inverness) said: "That is an extremely serious allegation. Can you substantiate it?"

Tax relief on foreign benefits

By Justin Long, Parliamentary Correspondent

TREASURY Chief Secretary Mr. Joel Barnett, yesterday announced a tax concession for Britons who have worked overseas and have returned to this country drawing invalidity pensions or other social security benefits paid to them by foreign governments.

Hitherto, U.K. residents have normally been liable to U.K. tax on such payments made to them under the laws of foreign countries.

But with Government approval for the tax year 1974-75 and subsequent years, the Inland Revenue will treat as exempt from U.K. income tax those payments made to U.K. residents by foreign governments which correspond to U.K. tax exempted social security benefits.

"The practice will be published in due course by the Board of Inland Revenue as an extra-statutory concession," Mr. Barnett said in a written Parliamentary answer.

Importers say they may agree to fiscal curbs

THE BRITISH Importers Confederation would accept some form of fiscal import restrictions, for a period of between six and nine months and as part of a monetary control package.

Mr. Tom Harrison, its chairman, said in London yesterday that he did not anticipate such controls, but the Confederation would not object to their introduction provided they were linked to control of money supply.

While the volume of imports declined to 123.5 in the first quarter of 1975 from 133.1 in the same period last year (base

1970), the value of imports rose to 230 from 180 over the same period.

"The high level of imports of goods we can manufacture in the U.K. is due entirely to lack of competition from domestic suppliers."

To reduce the demand for imported products, we have to improve the quality, price and availability of the domestic product. This would solve the balance of payments problem in a positive way, if we can succeed against foreign competition in our own country, we should be able to succeed in competing abroad.

"The importer does not create demand—he reflects it. We have to import the majority of our goods either because we do not produce them at home or do not produce them in sufficient quantities."

One-way system for Sutton

Plans for a £2m. one-way traffic system round Sutton town centre are being recommended to the Greater London Council next Tuesday, by the council's transport committee.

The scheme, designed to permit only pedestrians to use the High Street, and cut congestion at the High Street junction with the A232, will complement Sutton council's proposals for its town centre.

Mrs. Lilias Gillies, chairman of the GLC's South Area Board, said: "The scheme has been reduced in scale and in cost by £300,000. Pedestrian subways were originally planned in the area but they are not popular with pedestrians and have been removed."

BR CONCESSION FOR DISABLED Disabled passengers in wheelchairs will be able to occupy special seating in British Rail's new Mk. III first-class coaches which will be available from September 1st at the end of each season.

Lady Seear attacks delay over women priests

AN ATTEMPT to force the Church of England to ordain women as priests was made during the committee stage of Sex Discrimination Bill in the Lords yesterday.

Baroness Seear (L.) wanted to scrap a provision which allows the church to refuse to ordain women because it might offend some members of the church. "I am a member of the Anglican Communion who was deeply disappointed at the recent Synod decision."

The decision approved in principle admission of women to the priesthood, but deferred implementation.

Lady Seear said: "Women should have the opportunity to serve in the way I speak this afternoon for a number of women whom I know personally who would like to devote their abilities intellectually and spiritually to the service of the church and are denied the opportunity."

The church was in effect preventing these women from doing so "for fear of upsetting the religious susceptibilities of other members of the church." If we had to wait until such time as no one would be offended, we will wait until eternity and that is much too long."

Majority

The Bishop of Southwell, Dr. John Waking, said it seemed that Lady Seear's amendment was "trying to put the Church of England on the spot."

The amendment did not seem to deny the church the right to define its doctrine. But it did threaten those whose religious susceptibilities were such that they opposed the ordination of women. If the amendment was passed the consequences for the Church of England would be immense.

The Bishop added: "We have defined our doctrine as in favour of ordination of women but we have declared ourselves in the interests of charity unready to act on that assumption."

He hoped the House would not put political pressure on the church. The amendment could well be deemed to be political pressure.

But the Earl of Arran, supported the amendment. He commented "women on the whole tend to be nearer to God than men. That they are gentler no one will deny."

Lord George-Brown said there was no reason why the Anglican Church should take the very narrow view put forward by the Bishop whose speech could have been made by Mr. Hugh Scanlon asking not to be pressed too far because his majority was not yet big enough.

There was no reason why women should not be Ministers in the Anglican Church.

He had the joy of belonging to



LADY SEEAR Disappointed by Synod decision.

the trade union movement and the Anglican Church. "I sometimes get equally fed up with both."

The Rev. Lord Beaumont of Whitley (L.) supported the amendment and denied that the Church of England was being put on the spot. "This is a matter about the law of the land and its relationship to minority groups—in this particular matter, the equality of the sexes."

Parliament should not legislate against doctrine, but it was dealing with something less than a doctrine.

Lord Fletcher (Lab.) said he was a firm believer in the ordination of women and was disappointed in the Bishop's speech.

He said: "This is a matter for this House and Parliament to decide."

Baroness Berkeley commented: "It is no part of the State's duty to insist on this. It is an entirely ecclesiastical affair. The General Synod of the Church of England has examined this matter and decided that this is not the time for a change."

Mistake

Viscount Colville of Cahir, from the Opposition front bench said that it was fundamental to the Bill to decide whether "employment" included "ordination."

He said: "If my argument is right, the amendment does not approach the fundamental question at which it is aimed. I may be thought to be a nasty legal quibbler, but if I am right then we have a fundamental mistake in this part of the Bill."

Minister of State, Home Office, Lord Harris of Greenwich, said he did not believe that the amendment would bite only on

the Anglican Church. If carried, it would mean that the Roman Catholic Church and certainly the Moslem and Sikh religions could well be covered.

"It is recognised in the Western world that people should practice their religions freely and in their own way but it is important to look at the practical effects of carrying this amendment."

If the amendment were approved, the question then would be one of what was the doctrine of the religion.

Lord Harris added: "In many churches, there is a currently debate as to what the doctrine should be and it is in this area that we would have to adjust."

"The most appropriate way of examining this issue would be to put it before a lay industrial tribunal. If the amendment is carried, that would be an inevitable result. The tribunal would have to decide on the central doctrinal issue and I do not think that this is the right way in which to approach this major issue."

Lord Harris said that although the Government was very ready to look at the matter again, he could not agree with the substance of Lady Seear's amendment.

The amendment was withdrawn.

Baroness Seear said: "I am a member of the Anglican Communion who was deeply disappointed at the recent Synod decision."

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The Executive's World

Christopher Lorenz talks to the most successful technical innovator of the year

Precision saws from a chicken shed

CHICKEN-FARMING and electronics may seem an unlikely business combination. But they have an odd habit of cropping up together. Two years ago, the finance director of International Computers, Mr. Alan Edwards, left London for the country to run Anglian Foods. Yesterday Mr. John Sweet, a 40-year-old former broiler breeder who makes electronic components "in a chicken shed in Wiltshire" (to quote his detractors), was given this year's £5,000 "Technological Innovator" award by TDC, part of the ICFC group.

Mr. Sweet's company, Semitron, won the award against 88 other competitors for its successful development and initial marketing of what TDC (Technical Development Capital) judges to be "possibly the world's most accurate miniature sawing system." Originally developed for use in semiconductor manufacture, the Semitron saw is already finding a market for a much wider range of applications.

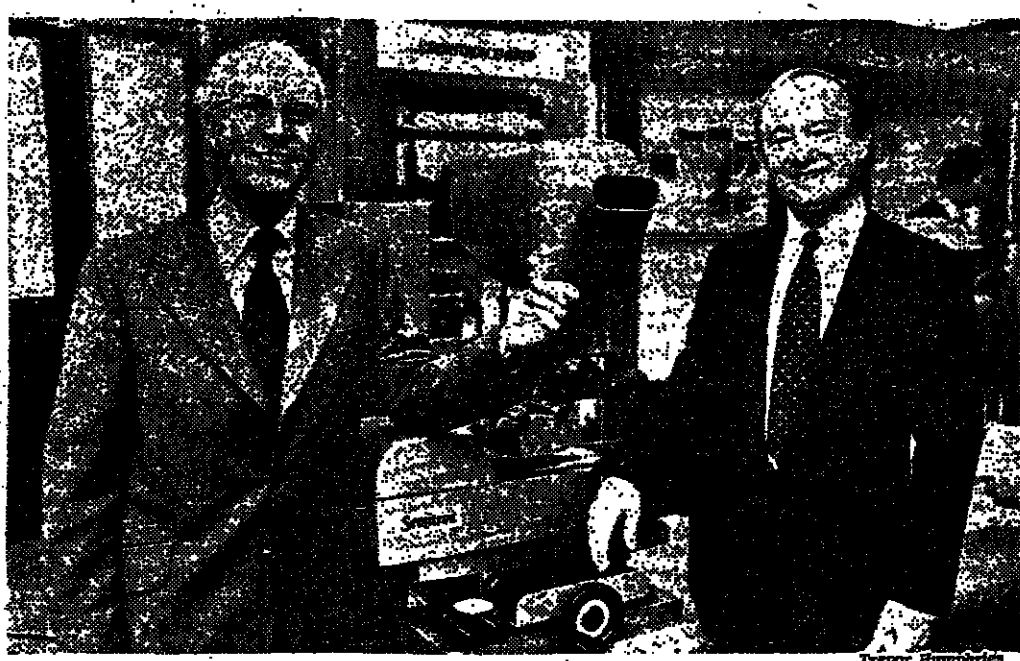
Unlike other prizes for innovation, TDC is concerned not only with the product, but also with encouraging the technological entrepreneur, on the grounds that Britain has no shortage of good technology, but that there are not enough people with bright technical ideas and commercial flair.

In Mr. Sweet they have found a true entrepreneur who has come to precision sawing through farming, chickens, frozen food, civil engineering and xena diodes. But they have also found someone whose soft-spoken, Wiltshire manner cloaks very strong views on the way City financiers have supported—or failed to support—small and medium-sized businesses. Apart from his strong views on competing saw technologies, his reserve evaporates only when he complains of excessive interest rates, pointing a finger not only at the City in general but the ICFC in particular.

Mr. Sweet first went into business without any specific post-school training at the age of 22, when he bought his own farm with the aid of a hefty bank loan. In 1958 he went into broilers. "One becomes involved by sticking one's neck out," he says. But after five years things started to go wrong, and with selling prices almost down to production costs, he quit—well ahead of many other chicken farmers, whose fingers were very badly burned.

Making a virtue of necessity, he went into cold store leasing, turning his former broiler store-halls over to outside customers—one of whom is now the Ross group. Whitehall Poultry Products, which runs the Sweet family's farming interests and the cold storage business, turns over about £200,000 a year and has been a vital source of funds in Semitron's development, Mr. Sweet says.

His unlikely entry into elec-



Mr. John Sweet, managing director and Mr. Chris Howard, technical director of Semitron at yesterday's TDC award ceremony, with the saw so precise that it can split razor blades.

tronics came in late 1963, when two engineers approached him for use of his broiler factory area as a transistor factory. An initial involvement of £2,000 escalated to £12,000 after only nine months, by which time Mr. Sweet had long realised that his commercial skills were urgently needed in the new organisation. The transistor manufacture was dropped, and the company embarked on a successful history of making special xena diodes for some of the best-known names in the electronics industry.

For about the last 10 years, Mr. Sweet says he has spent about 80 per cent. of his time on Semitron; several of his five children share the management of the family's small empire (he has distributed ownership around them), and outside management is also employed. In spite of his close involvement with electronics, time was found in 1968 to start up yet another entrepreneurial activity, when an old school friend asked him one night to join him in a construction venture. Mr. Sweet still holds 25 per cent. of Whitehall Civil Engineering, which has sales of about £1m.

The precursor of the prize-winning Semitron Saw was created to overcome the problems the company was having with imported silicon dice in the late 1960s. To reduce the high rejection (and wastage) rate, Mr. Sweet and Chris Howard (one of the two founder-engineers and part-owner of the company) decided to buy whole silicon wafers and to cut them into dice on their own premises with an adapted surface grinder. Mr. Sweet recalls that in the first year they saved £5,000 in material costs, which was a life-saving to a company with annual sales of only £140,000 at the time.

Tentative outside marketing of the saw, by now very considerably sophisticated and including air bearings and

circuits and that, in any case, there are many materials that cannot cut satisfactorily. As for other saws, many of them have only one blade, making them far slower than the Semitron product. Which leaves the listener—and Mr. Sweet—wondering why companies such as the giant Texas Instruments did not think of Semitron's basically simple solution.

The £5,000 prize money will be spent on promoting the saw, but Mr. Sweet will take a lot of persuading before he allows TDC or ICFC to lend him money, let alone take a stake in the company, as they would presumably like to in view of its potential. Bitterness about banking attitudes towards small business is openly admitted: if the Government wants industrial expansion, the banks and finance houses must work on smaller margins, Mr. Sweet insists.

"High interest rates mean that anyone trying to do what I've done in the past will find it impossible," he complains, pointing to offers of bank rate plus 3 or 3½ per cent. in place of the 1½ per cent. premium which he had to pay in the past. In particular, he complains that joint-stock banks will now lend to many businesses only through their finance houses—at a rate of perhaps 17½ per cent. "I can really begin to boil over this," says the otherwise quiet voice.

Ideally, Mr. Sweet would like Semitron to be self-financing. To achieve this, the company would have to sell enough, but not too many, of the saws—though a certain level of soaring demand could be controlled in financial terms by subcontracting 75 per cent. of the manufacture, in place of the current 25 per cent. But this entrepreneur's annoyance with the financial world suggests a realisation that he may have to continue raising substantial outside finance.

ning permission was granted to re-build the somewhat derelict building on the site to approximately the same area and for the same use as a restaurant.

If the Jersey Company develops the site under what circumstances would Development Gains Tax be payable. (a) If it retained the site. (b) If it sold or leased it?

The company resident in Jersey would probably be outside the scope of the development gains tax charge introduced by the Finance Act 1974, since its territorial limitations are the same as those of capital gains tax (as are those of the first-letting charge introduced by the same Act).

However, the transactions outlined in your letter might be held to constitute an adventure in the nature of trade, according to the particular circumstances, or might be vulnerable to assessment under section 488 of the Income and Corporation Taxes Act 1970 (which, although headed "Artificial transactions in land," can apply to transactions with no element of artificiality). Under section 489(9), the Inland Revenue could direct the purchaser etc. to deduct 35 per cent. income tax from part of the consideration payable to the Jersey company, without prejudice to its ultimate liability under section 488.

The relevant legislation is beset with pitfalls and it would be wise to secure professional guidance.

The Development Land Tax Bill, which was originally intended to be introduced in June, has now been postponed until the next session of Parliament.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

A Jersey registered and controlled company owns a property in England which it purchased in December, 1971. As there were existing user rights plan-

The Rent Acts do not apply where the accommodation (that is, living rooms) is shared. A bathroom is not a living room. If one of the living rooms is shared but others are not the Rent Act security of tenure still operates by virtue of Section 102 of the Rent Act 1968.

The provisions are complex but generally the onus to prove the fairness of the dismissal rests on the employer, who must show that the dismissal was due to the conduct or capabilities of the employee or some other substantial reason. Every dismissal situation depends on its own particular facts and generally little assistance can be

Development gains
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User loyalty is our best tribute

SAYS BILL HUNTLEY, DIRECTOR OF CUSTOMER SUPPORT SERVICES, SPERRY UNIVAC UK

The hidden costs of making computers work for the user company are often open ended. Freelance journalist Stephen Kennedy asked manufacturer Sperry Univac's Director of Customer Services Bill Huntley how his company tackles the problem.

Kennedy: Your main responsibility is to provide resources from within Sperry Univac to help your customers' systems work successfully. But what exactly is a "successful" computer system?

Huntley: Ultimately only the user of the system can judge its success because it must meet his own business targets.

Kennedy: How then do you judge your own success?

Huntley: If we were not doing our job properly, our users would not come back to us when they decide to buy more equipment. A sign of our success has therefore been the way in which our customers in the UK have remained remarkably loyal to us. Personally, however, I think the best tributes to Sperry Univac systems come from the non-computer staff of our customers who boast about the success of their computer service.

Kennedy: What areas do your support services cover?

Huntley: Geographically, we provide a nationwide support network offering users a round-the-clock standby service. Functionally, we cover all aspects of a user's system. I control systems, programming, education, machine centre, and technical library resources and I work closely with managers responsible for engineering, sales and other technical staff. In fact our support can be said to have started soon after initial contact with a prospective customer is made. We are heavily involved in evaluating the benefits of computerisation to the client's business. Only after a thorough investigation is an order placed with us.

Kennedy: Once the order has been placed, what support can a user expect?

Huntley: Each customer gets an allocation of support at no charge related to the size of their system. Additional resources if required are charged for and we work closely with the customer to ensure that we provide only those specialist resources which cannot be satisfied from within the user's own company.

Kennedy: Who is the user's main contact within Sperry Univac?



Huntley: Each customer has a project manager who will ensure that Sperry Univac responds quickly to any user request. In the initial stages of implementation, the project manager and the customer's management will work closely together to decide how Sperry Univac can help to get the system operating successfully.

Kennedy: How do you ensure your support resources are channelled in the most effective way?

Huntley: The operation of the Customer Satisfaction Committee, of which I am Chairman, provides a good illustration of the way we work. The Committee includes the directors of relevant engineering and technical support services in the UK and meets every Monday at noon. By then we have tele reports on the status, as of 9 o'clock that morning, of any customer who has a significant cause for being dissatisfied. Our aim is to produce action plans that will provide a complete solution to the problem. Any situations that cannot be resolved from within the UK are passed to an equivalent

advice on the design of the system.

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Kennedy: Sperry Univac computers play a vital role in the business success of your users. Are you aware of the responsibility this imposes on you?

Huntley: Very much so. And it is my job to inform our users what is not practical as well as what is feasible. Our systems must always make good business sense as well as being of the highest technical quality.

Further details of Sperry Univac computer systems can be obtained from: The Publicity Department, Sperry Univac, Univac House, 160, Easton Road, London NW1 2DR. Or please telephone: 01-387 0911.

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The Areas for Expansion

ISSUED BY THE DEPARTMENT OF INDUSTRY

BUSINESS PROBLEMS

Letter to a trustee in bankruptcy

I have received a letter from the trustee in bankruptcy of the tenant of a house I own, asking me to sign a letter to the trustee to the effect that I make no claim on him or the bankrupt estate in respect of any continuing liability that may arise or future liability as a result of the debtor's continued occupation of the house. The letter has been paid up to now. Should I sign it?

We see no point in your signing the letter which the trustee in bankruptcy has put forward for your signature. It is unlikely that you would wish to make any claim on the trustee, as the tenant (bankrupt) is evidently paying his rent and you can terminate his lease if he stops paying. However, circumstances could arise where you might need to make a claim (e.g. for arrears of rent before the date of failure to pay rent and the date when you recover possession of the premises). Moreover, you may want to make a claim in respect of dilapidations. You can sign a letter on similar terms relating to past liability for rent up to the date of signature, though this, of course, would not be of much help to the trustee in bankruptcy.

Absence of signature

We called upon an Indian firm to settle an account in 1963, but owing to disputes, no settlement has taken place. In 1973 the firm's manager sent us an undated typed account, showing what was owing, but with handwritten notes at the foot. Are we statute barred from recovering the debt? Can we prove the handwriting of the manager? The date from which limitation would run would be the date when the money was payable to you, that is the demand in 1963.

Consequently the action would be barred under the English Limitation Act 1939, unless you can show a signed acknowledgment. The typed account rendered in October 1973 is probably not sufficient acknowledgment for want of signature. You should be entitled to call evidence to establish that the written sheets were rendered by the defendants through their manager. In the event of the documents not being admitted by the court, but you cannot call evidence to remedy the absence of signature.

Unfair dismissal

The wife of the experienced buyer and head of a department in our Edinburgh retail store opened a shop along the street, she having minimal experience of the trade. When her husband refused to agree not to associate with any competing business at any time we gave him notice. It has been ruled as unfair dismissal. Are there any similar precedents, and what is the likely basis of compensation?

In Scotland, a person aggrieved by an alleged unfair dismissal, may raise proceedings against his employer at common law or avail himself of the statutory provisions for compensation contained in the Trade Union and Labour Relations Act 1974. Presumably your former employee has availed himself of the latter.

The provisions are complex but generally the onus to prove the fairness of the dismissal rests on the employer, who must show that the dismissal was due to the conduct or capabilities of the employee or some other substantial reason. Every dismissal situation depends on its own particular facts and generally little assistance can be

Unprotected tenants

With reference to your reply headed 'Unprotected tenants' (May 28), I too have a house which is divided into bedsitter rooms and the bathrooms are shared by all tenants. I am not clear from your article on what grounds the reader was exempt from the Rent Act. Was it because he offered a communal lounge in addition to the bedsitter room?

Would a lease granted to a tenant for a self contained bedsitter, that is, one with its own kitchen but the tenant still sharing a bathroom, exempt the house from the Rent Act?

The Rent Acts do not apply where the accommodation (that is, living rooms) is shared. A bathroom is not a living room. If one of the living rooms is shared but others are not the Rent Act security of tenure still operates by virtue of Section 102 of the Rent Act 1968.

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WEDNESDAY, JULY 16, 1975

An interim summit

TODAY'S MEETING of the European Council—the new name for Common Market summits—is the first since the result of the British referendum and the second since the Heads of Government decided in Paris last December that they should meet at least three times a year. The decision to meet more frequently has already paid off in that the meetings have become much less formal and there is less of a tendency to produce grandiose communiqués. But it cannot be said that the Community of late has made much concrete progress.

Union by stealth

In a sense this is an interim period. The British renegotiation contributed to, if it was not the sole cause of, a re-examination of Community aims such as economic and monetary union, which had proved over-ambitious on the time-table foreseen, and of political union, which had never been properly defined. This is why the Belgian Prime Minister, Mr. Leo Tindemans, invited last December to produce a comprehensive report on political union by the end of this year. It means there is a unique opportunity for member countries, especially the new members, to have a say in shaping the kind of Community they want to see.

For Britain, the broad outlines of the post-referendum policy were already laid down by Mr. Callaghan when he told the Council of Ministers last month that he hoped the Nine would increasingly act together in their relations with the world outside and that there would be more effective consultation and co-ordination in matters of economic policy. It was a low key statement, but it did at least have the merit of concentrating on the two main issues: a common foreign policy and closer co-ordination in the economic field. If these are the common aims, then other areas of policy will be inevitably drawn in. It is not possible, for example, to discuss foreign policy without touching on defence policy and it is not possible to discuss defence policy without touching on industrial policy, for so much of

the defence debate is about procurement and jobs in the defence industries. One can make the same point about energy policy: it will not be possible entirely to isolate it from foreign and economic policy. If the Nine, for example, want to present a common front in the consumer-producer dialogue or at the forthcoming special session of the U.N.

Where Britain differs from other members, however, is in the language. Mr. Callaghan is in favour of political union, provided it is called political co-operation or a single foreign policy. He appears to be in favour of economic union, provided it is called closer co-ordination of policies or even convergence.

Enthusiasm

The excuse is sometimes advanced by British apologists that other member governments, despite their more eloquent statements, are not really committed to European union in practice and secretly welcome the more pragmatic British approach. Yet there is an element of wishful thinking here which the present Council meeting could help to dispel. In recent years, for example, the Community has been becoming the cornerstone of French foreign policy. The French are no longer bloody-minded on principle: they have accepted majority voting and President Giscard has just made his gesture of returning the franc to the European snake. West Germany, too, may be going through a period of rather clumsy financial stringency, but its basic commitment to the Community is not in doubt. Britain, for its part, has quietly accepted the aims of the Community, but appears to be stalling on how they should be achieved. Since the Community is going through a period of self-examination, there is perhaps a little time in hand. But come the next European Council in December, it will be time for a little more overt British enthusiasm as well as the unravelling of the ideas on which Whitehall is said to be working.

Criteria needed for government rescues

THE RESCUING of "lame ducks" has become an established activity under both Conservative and Labour Governments: it is difficult to imagine social and political circumstances in which no such rescues ever took place. In view of this it is essential first, that the criteria for granting assistance should be clearly stated and rigorously adhered to, and, second, that short-term aid to deal with a temporary crisis should not be allowed to degenerate into an open-ended commitment. On both of these points the latest report from the House of Commons Public Accounts Committee, which covers, among other things, the operation of the 1972 Industry Act, provides very little reassurance.

Social factors

Under the previous guidelines, two of the criteria for granting assistance were that the assisted undertaking should be viable and that a substantial contribution should be obtained from outside the public sector. In several recent cases these requirements have been waived and "social" considerations have been given pride of place. In effect, Ministers have decided that, even though an enterprise has no short- or long-term prospect of becoming commercially self-supporting, it should nevertheless receive money from the taxpayer, presumably for an indefinite period, in order to preserve jobs.

As soon as the criterion of viability is dropped, the scope for dissipating taxpayers' money on loss-making enterprises is enormously enlarged. Just how are "social considerations" to be defined? The Department of Industry told the Public Accounts Committee at the beginning of this year that new criteria were being discussed and might in due course be published. Nothing has yet emerged.

Even more disturbing was the account given to the Committee of the Government's

assistance to Govan Shipbuilders. Hill Samuel advised the Government in March, 1972, that with financial support of £35m. (in constant money terms) over five years the company could become viable, subject to a number of assumptions, one of which was that productivity would be doubled. After 2½ years, the Department of Industry reported, there had been no improvement in productivity, losses were much higher than expected, and Government assistance was expected to total between £50m. and £80m.

After every allowance has been made for Govan's deep-seated problems, it is difficult to feel much confidence in the management of the company, in the effectiveness of the Department's monitoring arrangements, and hence in the revised estimates of future profitability. But the question of principle is whether assistance to Govan has now become an open-ended commitment. Having decided to support an enterprise, for social rather than commercial reasons, can the Government bring itself to call a halt? It is precisely this question which faces Mr. Varley in connection with the motor-cycle industry: it could also arise in British Leyland.

In these situations it is important that a firm time limit is established for bringing the assistance to an end: otherwise the lame ducks will limp on indefinitely at ever-increasing cost to the taxpayer. The Committee's report shows, the trend towards discretionary assistance to companies gives ample scope for playing one regional office of the Department of Industry against another and the result may be that more money is offered than is needed. There is a "cost per job" criterion, but this has not been published. The taxpayer has a right to insist that no more of his money is spent than is strictly necessary to achieve the objective: he also has a right to know what the objective is.

AS THE fires squalled and the outside Lam-beg drums reverberated through Belfast last week-end, Ulster's 100,000 Orangemen seemed determined that their annual July 12 ritual commemorating the Battle of the Boyne in 1690 should once again be a colourful pageant rather than a call to arms.

In contrast to the grim demonstrations of might that have marked the past five years, Orange Day this time was a gala occasion. At the Order's main meeting at the Field, Belfast—where the marching columns traditionally assemble to hear uplifting religious and political speeches—looked more an untidy Bank Holiday fête than a parade ground and the Army grappled with no more pressing problems than the care of lost children. The Belfast Telegraph set its own seal of approval to the event with the banner headline "Carefree Twelfth."

Seemed to have mellowed

Even hard-line Loyalist politicians in Ulster seemed to have mellowed. Both Vanguard leader Mr. William Craig and the Orange Order's Imperial Grand Master, Official Unionist Rev. Martin Smyth, came out with heartening statements suggesting that Northern Ireland's constitutional Convention may yet succeed in its task of drafting an acceptable form of devolved Government.

For Secretary of State Mr. Merlyn Rees, however, coping with the cease-fire has proved a groundless, there remains the threat that his relatively moderate leadership may soon be replaced by the more hawkish figure of Mr. Seamus Twomey.

At about the same time last Thursday Mr. O'Connell was making a brief but defiant appearance in the dingy courtroom of Ireland's special Criminal Court, a train of events began in Liverpool that led CID officers there the next day to the discovery of a Provo arms and explosives cache of alarming size. Four men, one of them believed to be former Portlaoise gaol inmate Mr. Sean Kinsella, are being detained under the Prevention of Terrorism Act enacted last year to give the Government special powers to combat terrorist activity.

The weapons haul made by police in a house in Liverpool's Waterloo district is reported to have consisted of 17 polythene bags filled with gelignite, amounting in all to about 500 pounds, and an arsenal ranging from a number of Armalite rifles to one tripod-mounted heavy machine gun, several Stirling A sub-machine guns, grenades and pistols.

If the reticence being shown



Last Saturday's scene in Belfast as Orangemen marched in commemoration of the Battle of the Boyne. The Army grappled with no more pressing problems than the care of lost children, in contrast to the grim demonstrations of the past five years.

by Liverpool's police is any guide (and local reporters there are describing it as "an unusual information clampdown"), the Provisional IRA has not been altogether idle during the cease-fire respite. The high-velocity Armalites, which, with their folding stocks, are an ideal urban sniper's weapon, and the huge quantity of genuine gelignite—as opposed to home-made explosives based on agricultural fertilisers, the so-called "Co-op mix"—along with the alleged finding of a "death list" all suggest that the Provos have been using the peace to prepare for war.

Indeed, the Provo's military strength is now estimated to have been built up sharply from the level of near-exhaustion the Army claimed it had hit last year. For once, figures like Vanguard Loyalist leader Mr. Craig and veteran IRA chief Mr. Twomey are in complete agreement. Not long ago the former warned that the Provo's strength is now nearing 1973 levels, while in April Mr. Twomey claimed that they were "stronger and better equipped than ever before."

In Northern Ireland the conventional wisdom certainly seems to be that this refurbished military machine would be primarily turned against England's

civilian population for two main reasons. First, because Ulster's Catholic population would reject a return to open warfare, but also, and more important, because in terms of publicity and effectiveness a campaign aimed at the U.K. as a whole is thought more likely to force the British Government to declare an intention to withdraw from Ulster.

Just how strong then is the IRA in Britain? It is, of course, in the nature of a secret organisation that there can be no easy counting of heads, but certain facts have been established. In 1974 the Provisional IRA is understood to have re-organised its forces into small squads, or "Active Service Units," of three to five men. The reason, according to one Provo source, being "the bigger the squad, the bigger the risk." To cut that risk still further the squads have been formed as part of a cell structure to limit the number of people that one informant or detainee can identify.

The damage that urban guerrillas can do bears little relation, of course, to their numerical strength. At one stage Army Intelligence claimed that there were as few as 50 members of Active Service Units in Belfast, although to remain in the field they required

several hundred members of a Rees' regular release of Long back-up force concerned with Kesh detainees—380 since transport, finance, security, planning, weapons supply and bomb manufacture.

In England they are certainly a good deal fewer. Recent reports have suggested the presence of several units operating independently in Britain, probably based on such centres as Manchester, London, Birmingham and Liverpool. The identity of the senior Provo leader with the overall responsibility for their operations remains a closely-guarded secret.

Assessing the Provisional IRA's capability is further complicated by the presence of "freelance Provos"—activists prepared to take part in or to abet attacks from time to time. Their activity usually reflects the heat of the political climate in Ulster. These part-time terrorists, in the main, are difficult to detect as they form part of Britain's large and well-integrated Irish community. It is probable that a number of them make up some of the 30 people who have been deported since last December under the Prevention of Terrorism Act, but no doubt many more remain.

The Liverpool arms cache was discovered as the result of a banal and careless traffic offence. A car jumped a red light in front of a police station, was stopped by a patrol car, and a desk sergeant who came out to investigate was shot. Incidents like that—coupled with such debacles as the 1972 arms buying episode when Mr. O'Connell proposed to pay for the four tons of Czech guns later found at Schiphol airport with £20,000 of non-negotiable Irish pound notes—tend to suggest that the Provos are as comically inept as the Lavender Hill mob. It is not a view shared by Special Branch men in Ireland or in the U.K. they are all too well aware that arrests still depend largely on chance or the actual commission of an outrage.

The vital question is whether or not this small but determined army will once again swing into action. In spite of Mr. Merlyn

several hundred members of a Rees' regular release of Long back-up force concerned with Kesh detainees—380 since transport, finance, security, planning, weapons supply and bomb manufacture.

In England they are certainly a good deal fewer. Recent reports have suggested the presence of several units operating independently in Britain, probably based on such centres as Manchester, London, Birmingham and Liverpool. The identity of the senior Provo leader with the overall responsibility for their operations remains a closely-guarded secret.

Assessing the Provisional IRA's capability is further complicated by the presence of "freelance Provos"—activists prepared to take part in or to abet attacks from time to time. Their activity usually reflects the heat of the political climate in Ulster. These part-time terrorists, in the main, are difficult to detect as they form part of Britain's large and well-integrated Irish community. It is probable that a number of them make up some of the 30 people who have been deported since last December under the Prevention of Terrorism Act, but no doubt many more remain.

In fact, there is little likelihood that isolated incidents will cause them to end the cease-fire. To date, the Provos have retaliated against real or fancied breaches of the truce with "protest" bombings inside Ulster. It is the political scene that will determine whether the fighting resumes. More pessimistically, it will determine when. For Ulster watchers are now mapping out equally gloomy scenarios based on either the success or failure of the constitutional Convention.

The argument runs that, in the case of Loyalists' agreeing a power-sharing formula with the Catholic SDLP that holds a minority of the Convention's 78 seats, the Provisionals (who boycotted the Convention elections in May) will promptly unleash a campaign to block a solution that excludes their aim of a united Ireland. In the more probable event of a Convention impasse, the theory is that the Provos would act to exploit the crisis. Just as depressingly, the only situation calculated in Belfast to encourage the Provos to hold off would be Loyalist intransigence on the power-sharing issue of such proportions that Westminster might begin to hint at ultimate withdrawal, thus fighting the Republicans' battle for them.

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The Office of Fair Trading has announced plans for added consumer protection from spurious 'special offers.' Elinor Goodman reports

Restoring the bargain to bargain offers

YESTERDAY'S plans for new laws to regulate the use of bargain offer claims are the most radical proposals for changing the present consumer protection laws to come from the Office of Fair Trading since it was set up two years ago. Affecting practically every retailer in the country and many manufacturers, they would, in effect, put an end to a whole range of irritating promotional techniques and surround much of what is left with a minefield of legal requirements.

Garages, for example, would not be allowed to entice customers onto their forecourts with promises of "5p off four gallons" without specifying the original asking price. Similarly, soap manufacturers would be prevented from marking their packs with vague phrases like "At least 2p off usual price" without the support of posters in the shop stipulating exactly what the usual price was and what it was reduced to.

At the same time, whole chunks of the over-zealous copywriter's vocabulary would be banned. It would be illegal, for example, to claim, as did one advertiser recently, that swimming pools "worth £5,000" were being sold for only £3,900. The word "worth" is too subjective for the Office of Fair Trading's liking. All hyperbole, however, would not be lost. Traders would be allowed to continue using such vague phrases as "best value in the market" simply because the OFT reckons that consumers are sensible enough to see through such factless puffery. Only when the trader is purporting to use fact does the OFT see fit to intervene.

Retailers will no doubt be horrified at some aspects of the proposed legislation—if only

because of the greater administrative work that will be involved in mounting cut price promotions—but many will see the logic of it. Consumers who have been attracted to a garage on the promise of cut-price petrol only to find the petrol cut price only in the imagination of the garage owner will appreciate the need for some change in the rules. Indeed, the remarkable thing is that so many large, respectable companies have been content to use such techniques for so long.

Proposals

The Office of Fair Trading has already had lengthy and informal discussions with the trade on the subject of bargain offers. Now the latest proposals are to be sent out to interested parties for comment. Mr. John Methven, Director General of Fair Trading, said yesterday that he would be very surprised if the present proposals were translated into law in their present form. Some changes, he said, would be bound to arise out of the consultative discussions. However, there is little doubt that some new regulations will be introduced.

The changes would be made under the order making part (Part Two) of the Fair Trading Act—the Act that set up the Office of Fair Trading and forms the basis of consumer protection legislation. Mr. Methven has already used Part Two powers to suggest several other changes in the law—regulations to require traders to return deposits on ordered goods after a certain length of time, for example—but the present proposals are far more wide sweeping than anything previously suggested. (The Fair Trading Act also



In the role of a consumer, Mr. John Methven, director-general of Fair Trading, has gained first-hand knowledge of some of the irritating techniques which can mislead shoppers.

The common theme of all these codes is that the industry should set certain minimum standards of conduct and establish an independent arbitration service for complaints. Similar codes are being negotiated with the retail footwear trade—always in the big league of the consumer complaints table—and the English motor trade.

Mr. Methven's view is that such voluntary codes, if they can

be successfully policed by the appropriate trade associations, are usually preferable to a legalistic approach which tends, by its very nature, to be a negative one. Only yesterday afternoon, Mr. Methven was making this point to manufacturers of office equipment. However, he is aware that not all trading practices which operate against the consumers' interest can be controlled on a voluntary basis. There is some doubt, for ex-

ample, whether even the new improved advertising code will clamp down effectively on all misleading advertisements without some kind of statutory backstop, given the highly fragmented nature of the advertising media.

The fragmented nature of the business was also one of the reasons why the OFT felt unable to adopt a voluntary approach towards bargain offers. Though aspects of the proposed legislation have, in some cases, been included in the voluntary codes of practice, there are simply too many shops for a voluntary code to work effectively. And given the highly competitive nature of price cutting, there is a case for saying that it is easier for manufacturers if they know that their competitors are also bound by the same statutory regulations.

Concern

Bargain offers have been a source of concern since the abolition of retail price maintenance in 1955. Closely related to the vexed question of manufacturers' recommended prices, they often serve to confuse the consumer rather than to help a balanced choice to be made. Yet price cutting is obviously an essential part of retailing, particularly in inflationary times. The great difficulty for the Office of Fair Trading in drawing up its proposals has been walking the tightrope between discouraging legitimate price cutting activity and clamping down on confusing promotional activities, which often purport to offer price reductions. Some times, indeed, it is very difficult to separate the one from the other. A manufacturer offering "1/2 lb free" may well be offering the consumer a bargain, and it would be counter-productive to discourage him from offering such a deal merely because it does not give the consumer enough information on which to make a reasoned choice.

The OFT said yesterday that it had three criteria in mind when producing its recommendations. First, it wanted to do nothing which might inhibit price cutting and it was partly for this reason that the question of manufacturers' recommended prices has been left open to further discussions. Second, it wanted any new regulations to be easily implemented by both manufacturers and retailers. And, third, it wanted to ensure that the changes would not involve the trade in any major new expenditure.

In considering whether or not bargain offer claims mislead the consumer, the OFT applied five general principles: 1. Claims must be truthful; 2. Claims must give sufficient information to enable the consumer to evaluate the bargain; 3. Information in claims must be capable of reasonably easy verification; 4. Claims must relate to purchasing decisions of the average consumer and not to the prices paid by some unfortunate in the Outer Hebrides; and 5. Claims must reflect genuine competition between traders and not some contrived price comparison exercise between shops belonging to the same company.

Using these principles, the OFT has arrived at proposals for a legal framework which would affect almost all price claims which purport to quantify the size of discount offered. Sheer puffery, like "cheapest in the world," would thus not be covered. But as soon as a trader started to put figures on his claim, he would be within the scope of the proposed law and would be bound by certain, very specific, standard terms.

Thus offers like "55p while stocks last" would have to be accompanied with details of the price to be charged when the stocks are exhausted. Similarly, offers of "three bars for the price of one" would have to be accompanied by a poster spelling out the actual selling price of the three bars compared with the manufacturer's recommended selling price.

Subjective

Falsifying claims of an apparently factual nature would become an offence while three specific types of claims would be banned outright. Claims such as "worth half as much again" would be outlawed on the grounds that the assessment of worth is subjective, as would range reduction claims which refer to a maximum reduction like "up to 40 per cent. off manufacturer's recommended retail prices." The third type of claim to be banned would be those which relate a shop's prices to those in another unnamed, and quite probably fictitious, outlet: "40 per cent. savings on West End prices," for example.

Pricing is also dealt with in the Trade Descriptions Act which itself is currently the subject of an extensive review by the Office of Fair Trading. The study is expected to be published shortly and may well prove almost as wide-sweeping in its proposals as yesterday's recommendations on bargain offers. In view of the obvious problems still encountered on price comparisons, it seems likely that some change will be proposed in this area and it may also be that the provisions of the Act may be extended to categories like housing not currently covered by it.

Property accounts

From The Chairman, Assets Valuation Standards Committee, Royal Institution of Chartered Surveyors
Sir—Lex in his comments (July 14) raises a number of interesting points concerning the valuation of property company assets and which merit serious consideration.
The Royal Institution of Chartered Surveyors in its guidance notes of February 1974 recommended that all properties, including developments and sites held for development, should be valued annually. Even in markets as complex as those of recent months, valuers can and do produce meaningful valuations. Property is continually changing hands and transfers resulting from death, compulsory acquisition, etc., necessitate valuations being made.
Annual professional valuations, bearing good news or bad news, give shareholders their entitlement to the knowledge of the company's real worth rather than, perhaps, relying on guessimates made by analysts, working without complete information. We must wait and see if the Sandilands Committee has anything to say as to the bearing of inflation accounting on the subject.
The institution advises its members that if an open market value basis is qualified in any way, for example by "as between a willing seller and a

Letters to the Editor

willing buyer," the valuer must state the meaning of such qualification. Members are also advised that assumptions should only be made when fully justified and any assumption must be stated clearly in the certificate.

Certificates of valuation have always been published by professional valuers and property companies. We hope that the recent publication by Land Securities of its valuer's report will now be followed by many other companies, both property and non-property.
The suggestion that rental projections should be provided is valid and consideration is being given as to whether in appropriate cases the valuer should incorporate the information in his certificate.
To disclose information on a sample of properties raises the question as to how a representative selection can be made and whether or not the release of detailed information is always in the interests of shareholders. There is no clear-cut answer and deep consideration by individual companies would need to be given to the idea.
N. W. Bowie,
12, Great George Street, S.W.1.

Portfolio advice

From Mr. D. Murch.
Sir—The ethical standards maintained by our joint stock banks are, in my opinion, almost beyond reproach. Nevertheless, there is one aspect of their opera-

tion which, I think, ought to be criticised.
I refer to the almost universal practice of the banks and trustee or similar departments to include in most portfolio arrangements the acquisition of investments managed by or associated with their own organisations. It is appreciated that this is done with the best of intentions and that each of the banks obviously feels it is better qualified to trust its own operations or associated operations rather than the operations of other banks or institutions.
Nevertheless in any other sphere of commercial life the person who pushes his own shares is open to considerable criticism and I think it is true to say that such criticism should equally be levelled against joint stock banks.
Duncan Mutch,
"Windy Ridge," 1, Dark Lane,
Keworth Hill, Barnsley, Yorks.

Reverse cash flow

From Mr. H. Girvan.
Sir—Does one laugh or cry at British Steel Corporation's economies in buying its raw materials? I am referring to a proposed agreement (July 11) with the National Coal Board whereby delivered coal would not be paid for until used. If we will read that the NCB will be concluding an agreement with British Rail, whereby freight will not be paid for until it has been paid by BSC, so reducing the NCB losses.
H. M. Girvan and Co.,
13, South Street,
Epsom, Surrey.

Harvest not home

From Mr. P. Wornell.
Sir—Your report (July 11) that Mr. John Powling has predicted a 2.5m. ton drop in the U.K. grain harvest this year must be an extremely optimistic forecast.
Looking at the acreage concerned, my calculations reveal that a 10 per cent drop in wheat makes a reduction of 300,000 acres (Scottish figures have already revealed a 15 per cent drop). Now look at the anticipated yields and bring the 38 extra 1974 record down to the ten-pence a bushel level, and we can knock off 6 cwt per acre, making a total reduction in wheat tonnage of 300,000 tons.
This year the barley acreage may well be revealed to have been sustained, due to the erstwhile intentional wheat acreage which, undrilled in the bad autumn, has been drilled to spring barley, and we must now look closer at the anticipated yields. I can do no better than quote John Cherrington (July 10) in the House of Commons, who said "Many of the barley crops are still immature and late as compared with a normal season. But any substantial recovery would be in the nature of a miracle." Certainly evidence on the ground shows that that miracle has not transpired.
Late sown spring barley, much of it planted in May, is in many instances less than 12 inches high, and already showing a desultory and miserable looking miniature ear of corn. Many farmers are now bitterly regretting that they wasted their money in bothering to plant these late acres. The end result will be a certain not pay for the cost of seed and other expenses. If we knock off 10 cwt per acre (which may even be a modest reduction) it amounts to 2.2m. tons, making a total reduction in the harvest of 3.1m. tons and producing a total overall crop of 12.7m. tons, against Mr. Powling's prediction of 13.5m.

All virtuous men

From Mr. S. W. Penwill.
Sir—The White Paper "The attack on inflation" shows all the usual evidence of having been thrown together in desperate hope of placating creditors and unions and, as always with this Government, exhibits a lack of understanding of how business, commerce and the professions work and how those involved are remunerated; it appears to assume that all wages, salaries or other payments are subject to the same rules as those negotiated between unions and employers.
It would be interesting therefore to know how the draftsmen of the paper consider the following remuneration problems will be dealt with:
1—The salesman, whose commission on sales represents more than half his income. Does he stop selling when his commission amounts to more than £312 over that of the previous year, or would it be his best year?
2—The stockbroker, alone or in partnership. Does he refuse business if he suspects that his net income is in excess of the enlarged limit? He may not, of course, act without commission as he would then, to employ a phrase not normally used on the Stock Exchange, be "blacklegging."
3—The executive who is rewarded with a basic salary plus a commission on results. An increase of 15 per cent on what? 4—The employee, who, to fulfil an export order is required to work overtime. If his overtime payment puts him over the £6 limit will it be exempt?
5—The insurance broker whose commission increases by more than £5 per week (gross or net) because of the inflated values of the subject insured.
As usual however there will be no answer to these queries because the situations were never envisaged when drawing up the paper.
Nowhere in the White Paper does there appear any requirement that increases of any size should be justified by increased productivity or profits. It is lack of this requirement which has now got out of hand. What we need is not 15 a week more, but £5 more effort for the same money.
S. W. Penwill,
158 Fenchurch Street, E.C.3.

Policyholders' protection

From Mr. K. Burton.
Sir—Surprisingly the Government has found time amid all its other anxieties to bring to the House of Commons for second reading on July 15 its Policyholders Protection Bill.
This Bill seeks to institute a levy on premium income of insurance companies generally for the benefit of policyholders of companies that fail.
On second reading in the House of Lords the Bill had friends nowhere in the House, except for Government spokesmen. On March 7 the underlying principle was discussed in the House of Commons with an almost equal consensus of disavowal.
Perhaps it is more surprising that one of the principal trade associations representing insurance companies has advised its members that, in the light of the amendments made in the House of Lords, everything is now for the best in the best of all possible worlds—or nearly so. It is true that some of the worst features of the Bill, as originally introduced, including the power which it gave to the Secretary of State by statutory instrument to amend the proposed Act itself, have been eliminated. In fact, one useful measure of disciplining those who irresponsibly introduce business to failing companies has been introduced into it.
The aspect of the Bill which aroused strongest criticism by the trade associations was the provision for so-called "rescue" operations of companies in financial difficulties but not already in liquidation. The Government now appears to claim that the undertaking of such operations will be solely within the discretion of the statutory Policyholders Protection Board to be appointed by the Secretary of State and of which a majority will be directors or managers of insurance companies. The Bill, however, still provides for the Secretary of State to be able to give "guidance" to the Board in the performance of its functions and for this guidance to be

mandatory. Introduction of the cosmetic phrase "after consultation with the Board" as a preliminary condition for such guidance does not alter the fact that the Board would be little more than an instrument of the Department of Trade, however, is that the proposed levy will be paid by policyholders, and the proposals are to be judged from their standpoint rather than from that of the insurance companies, who are merely to be agents for its collection. There is no national association representing policyholders. Being almost co-extensive with the public at large, they must look to Members of Parliament to protect their interests. It is therefore important that Members of Parliament should not be beguiled by any reassurances they hear from the companies.
The present occasion is the third in eight years on which the Government has introduced inadequate legislation for the protection of policyholders. On the third reading of the Bill in the House of Lords, Lord Houghton said that he still believed that it would be far better to have a more sensible and a more comprehensive Bill of this kind, to have referred it to a Select Committee. The time has surely now come for an authoritative examination of the law affecting such companies, whether by Select Committee or Departmental Committee. There has been no such examination for nearly 50 years. One question which might well be considered in such an examination is whether the responsibility for the supervision of insurance companies remaining in the hands of a Department responsible to a Minister subject to day-to-day political pressure, it should be transferred to those of a Commission reporting directly to Parliament.
Kenneth J. Burton,
Mount Cottage,
Hawk's Hill, Fitcham,
Leatherhead, Surrey.

GENERAL

Mr. Harold Wilson, Prime Minister, attends meeting of European Council, Brussels.

Confederation of British Industry council meets, London.

Publication of Boyle Report on MPs pay and allowances, together with Government's recommendations.

Parliamentary Labour Party meets.

Mr. Fred Peart, Minister of Agriculture, speaks at Home Grown Cereals Authority lunch, Hilton Hotel, London.

Location of Offices Bureau annual report published.

To-day's Events

Royal Tournament begins, Earls Court, London.

Duke of Edinburgh attends Commonwealth Agricultural Society conference, Aberystwyth.

PARLIAMENTARY BUSINESS

House of Commons: Remaining stages of the Finance (No. 2) Bill.

House of Lords: Social Security (Pensions) Bill, report: Civil Aviation (Air Travel Organisers' Licensing) (Reserve Fund) Regulations 1975; Statutory Corporations (Financial Provisions) Bill, second reading; Debate on legislation to remove students from the Provisions of the Rent Act 1974.

COMPANY RESULTS

Davy International (full year).

Meyer (Montague L.) (full year).

Thorn Electrical Industries (full year).

Union Discount Company of London (half year).

Vesper Thornycroft (half year).

COMPANY MEETINGS

Bright (John), Winchester House, E.C., 12.15.

Ellenroad Ring Mill, Oldham, 3.

Ever Ready, Whetstone, N., 12.

Head Wrightson, Yarm, Cleveland, 3.

London Prudential Investment Trust, 20, Fenchurch Street, E.C., 11.

Nowlem (John), Ealing Road, Brentford, 11.

National Employers' Mutual General Insurance Association, Great Eastern Hotel, E.C., 12.

New Throgmorton Trust, 23, Milk Street, E.C., 12.30.

Readcut International, Leeds, 12.30.

Warrington (Thomas), Chester, 11.

Wedgwood, 34, Wigmore Street, W., 3.

NEW ISSUE

\$ 35,000,000

The Bank of Tokyo, Ltd.

(Kabushiki Kaisha Tokyo Ginko)

9 1/4 per cent Notes Due 1980

Kuwait Investment Company (S.A.K.)

The Bank of Tokyo (Holland) N.V.

Arab Finance Corporation S.A.L.

Banque Arabe et Internationale d'Investissement (B.A.I.I.)

Banque Nationale de Paris

Al-Ahli Bank of Kuwait (K.S.C.)

The Arab and Morgan Grenfell Finance Co. Ltd.

Bank of Bahrain and Kuwait (B.S.C.)

Banque Audi S.A.L.

Banque Européenne de Tokyo

Banque Franco-Arabe d'Investissements Internationaux

Banque de l'Union Européenne

Banque d'Investissement et de Financement S.A.L. (INFI)

Byblos Bank S.A.L.

Dresdner Bank Aktiengesellschaft

Effektenbank-Warburg Aktiengesellschaft

Kredietbank S.A. Luxembourgeoise

Kuwait Foreign Trading Contracting & Investment Company (S.A.K.)

Kuwait International Investment Company (S.A.K.)

Lazard Brothers & Co. Limited

Libyan Arab Foreign Bank

Morgan & Cie International S.A.

The National Commercial Bank (Saudi Arabia)

Salomon Brothers

J. Henry Schroder & Co. S.A.L.

Société Générale de Banque S.A.

Swiss Bank Corporation (Overseas) Limited

UBAN-Arab Japanese Finance Limited

Union Bank S.A.L.

Union Bank of Switzerland (Securities) Limited

Union de Banques Arabes et Françaises - U.B.A.F.

May, 1975

All these Notes have been sold. This announcement appears as a matter of record only.

COMPANY NEWS

Pilkington still has strength

DESPITE THE problems of 1974-1975, Sir Alastair Pilkington, chairman of Pilkington Brothers, believes the company's strengths remain intact.

"We have continued to build on these strengths, focusing attention both on overcoming present difficulties and laying the ground for the future," he tells shareholders in his annual report.

While keeping existing plants in good order alone calls for expenditure of more than £10m a year, the group is also taking advantage of the special opportunities for new investment in making progress with important new products and is preparing for the next upturn in market demand.

At March 31, capital commitments totalled £38.12m (£21.47m) of which £18.5m (£11.1m) was secured.

Mr. Alastair says the decision to build the new fibreglass plant in South Wales, the effect of £13m has been borrowed from the Finance Corporation for Industry, and for the overseas investment.

The most important being the new float plant in Scandinavia—£3.5m has come from NatWest.

Mr. Alastair says the decision to build the new fibreglass plant in South Wales, the effect of £13m has been borrowed from the Finance Corporation for Industry, and for the overseas investment.

Mr. Alastair says the decision to build the new fibreglass plant in South Wales, the effect of £13m has been borrowed from the Finance Corporation for Industry, and for the overseas investment.

Confidence at Halma

HALMA CAN face the coming year with confidence, states the chairman, Mr. D. S. Barker, Companies now in the group are, in every case, stronger, more resourceful and better equipped to meet a challenging future than when they joined it, he tells members.

We are also favoured in the range of products manufactured by the group and in the variety and growth potential of many of the markets which we serve.

As reported on July 3, taxable profits rose from £25,000 to £317,000 in the year to March 31, 1975, and the dividend is 1.063p (8.96913p) net.

Bogod-Pelepah increase

Bogod-Pelepah has turned in profits of £22,000 for the year ended March 31, 1975, compared with £205,066, subject to tax of £112,803 (£120,998). At halfway profits were up from £33,000 to £100,000.

There is to be a scrip issue of one "A" Ordinary for every two "A" or Ordinary held in the enlarged capital. Final dividends of 0.3p on the Ordinary and 1p on the "A" are recommended.

CHURCHBURY ESTATES LIMITED

Highlights from the Annual Statement to Shareholders for the year ended 31st March, 1975 by the Chairman, Mr. C. E. H. Topping, F.R.I.C.S.

- Income maintained despite freeze on all rents during the year under review.
- Enfield Office Development completed within scheduled time and now let to a single tenant at rent of £120,000 per annum.
- Interest paid this year on developments set against revenue for the first time, which accounts for a lower profit figure before tax.
- Dividends declared for year 3.465p per share, the maximum permitted under current legislation.
- Results are considered satisfactory and, subject to no further adverse legislation, the Directors are confident that the Company will continue to make good progress.

	1975	1974
Gross rental and other income	324,055	317,143
Profit before taxation	97,914	97,914
Taxation	53,582	78,350
Profit available for dividend	44,332	19,564
Earnings per Ordinary Share	4.06p	3.91p
Dividends per Ordinary Share	3.465p	3.195p

The Annual General Meeting was held on 15th July, 1975

MINING NEWS

Gold quarterlies are still uninspiring

BY LESLIE PARKER, MINING EDITOR

THE SOUTH AFRICAN gold-mining quarterlies continued their uninspiring course yesterday with those of the Consolidated Gold Fields group. As with those previously issued, working profits make a mixed showing.

Only West Driefontein and East Driefontein made more than in the March quarter. Unit costs are generally higher, the sole exception being Venterspost where the tonnage mined has made a recovery from that of the previous three months when operations were adversely affected by an underground fire and a severe shortage of black labour.

These factors were still affecting the company's June quarter results it is stated. Underground tonnage was supplemented by fines from surface dumps. Only East Driefontein does not complain about continued labour shortage.

Kloof achieved an increase in mill tonnage despite labour scarcity and a shortage of slope faces but the profit was nevertheless down owing to an abnormally low gold yield per ton through the mining of a higher percentage of low-grade ore.

Gold prices received during the past quarter work out mostly at a little above or below \$170 an ounce with the exceptions of Venterspost, only \$158, and East Driefontein, \$161. Working profits for the group are compared below.

	June	Mar.	Dec.
Consolidated	8,000	8,000	8,000
East Driefontein	15,572	12,737	13,757
Kloof	6,640	7,748	8,428
Liberton	1,238	1,238	1,238
Venterspost	672	672	672
West Driefontein	40,352	44,087	41,917

17 MINUTES FOR CHARTER

A well-attended, but silent, London meeting of Charter Consolidated yesterday was brought up to date on the U.K.-registered group's asset position by the chairman, Mr. Sidney Spiro. He said that taking the value of investments at July 11, net assets amounted to £340m, or 24p per share. This compares with respective figures at the company's March 31 year-end of £302m, and 28p. The shares closed at 153p yesterday.

Regarding Charter's 25 per cent stake in the Marine Oil of Canada North Sea oil consortium, Mr. Spiro said that drilling of a second well on block 210-19 was to be started in the second half of next month.

Then he opened the meeting to questions. After a foot-shuffling pause, one shareholder wanted to know which charities were the recipients of Charter's annual contributions and wished to be assured that the directors being appointed held shares in the company.

He was given a satisfactory answer. The large audience could find no more pertinent questions and after a total duration of 17 minutes the meeting of this major, and in some ways controversial world mining group, came to an end.

CORNWALL'S NEW TIN MINE

The latest news from Canada about the Mount Wellington tin-mining prospect in Cornwall comes from Prado Explorations a major participant in the project, according to the company's president, Mr. Stephen Kay. It is proceeding towards production on schedule and, moreover, within budget. Target date is still around the turn of the year.

Revised economic studies are stated to indicate at present tin prices a one-year repayment of all debts incurred in bringing the mine into production.

MINING BRIEFS

LONDON TIN—Columbia Group for amalgamated tin mines in Sierra Leone, five weeks, 14 tons.

NEW GUINEA GOLD—Preston-Jones Group, Golden Ridge, mined 1,238 tonnes ore, assaying 6,103 p.p.m. gold, producing 6,547 oz. Fine silver produced 78.22 oz. Tributes Bullock produced 141.25 oz. West Cornwall Tinmining, second year 32.25 tonnes. Cornwall: Timber produce—board feet 24,704.

SHARE STAKES

Sharnah Valley Tea—Mr. J. M. Clegg now holds 135,532 Ordinary shares (19.19 per cent).

Brown Brothers Corporation has received notification from Dana Corporation of Ohio that it has been allotted 138,333 Brown Ordinary shares on conversion of £30,000 8s 6d per cent. loan stock.

1800-15 and now owns 12,468 shares (27.7 per cent.) of the capital as increased by the conversion.

Ferguson Industrial Holdings has informed Limer Concrete Machinery that it has purchased a further \$1,000 shares, which brings its total holding to 1,851,000 (26.125 per cent.).

Time Products sales rise

Mr. A. Margulies, chairman of Time Products, told the annual meeting, that so far turnover of all group companies was showing a satisfactory increase against comparative figures for 1974.

It was too early to be precise about the results of the year as a whole, he said, but the indications were that we shall be reporting a further advance in profits when we publish our interim results in October.

THE four-man Board of Vantona is split over its attitude to the bid, which would create a combine with sales of more than £70m a year.

The chairman, Mr. Herbert

Pilkington and another director, oppose the offer as it has been announced and constitutes a Board majority with the chairman's casting vote. The managing director, Dr. John Blackburn, and another director, support the bid.

Union split on bid for Vantona

A RIFT was disclosed in a Lancashire textile trade union yesterday over the proposed £3m take-over of the Vantona concern, which has already caused a split in the company's Boardroom.

In a statement on Monday, Mr. Joe King, joint general secretary of the Amalgamated Textile Workers Union, welcomed a bid by the Spirella Group for Vantona, a household textile specialist, and described it as a well planned move which would give security to those employed in the industry as well as helping Britain's balance of payments by reducing imports and boosting exports.

But yesterday Mr. Fred Hague, joint secretary of the same union, said a meeting of the union's Central Executive Council had instructed him to contradict reports that the union backed the bid. He added: "The facts are that with the possible exception of Mr. King none of the officers of this union concerned with the two companies named had any real knowledge of the proposals prior to the press announcement."

COMPARATIVE STATEMENT OF CONDITION

	1975	1974
Assets		
Cash and Due from Banks	\$ 492,162,000	\$ 510,672,000
Time Deposits in Foreign Banks	264,372,000	300,866,000
U. S. Treasury Securities	83,858,000	63,813,000
Obligations of Other U. S. Government		
Agencies and Corporations	29,111,000	29,008,000
Obligations of States and Political Subdivisions	302,063,000	276,669,000
Other Securities	11,296,000	10,822,000
Money Market Investments	8,218,000	55,085,000
Federal Funds Sold	402,300,000	197,819,000
Loans	1,348,284,000	1,247,525,000
Bank Premises and Equipment, Net of Depreciation	46,130,000	46,395,000
Other Assets	49,933,000	48,389,000
TOTAL ASSETS	\$3,037,727,000	\$2,787,063,000

Liabilities		
Demand Deposits:		
Individual, Business and Other	\$ 895,608,000	\$ 764,874,000
Banks	238,892,000	200,695,000
U. S. Government	2,062,000	20,058,000
Total Demand Deposits	1,136,562,000	985,627,000
Time Deposits	1,008,451,000	721,552,000
Deposits in Foreign Offices	380,693,000	390,501,000
Total Deposits	2,525,706,000	2,097,710,000
Federal Funds Purchased	296,905,000	496,398,000
Other Liabilities	53,123,000	49,337,000
Total Liabilities	2,875,734,000	2,643,445,000
RESERVE FOR LOAN LOSSES	16,835,000	12,454,000
CAPITAL ACCOUNTS:		
Common Stock — \$10.00 Par Value		
4,645,000 Shares Authorized and Outstanding	46,450,000	46,450,000
Surplus	46,450,000	46,450,000
Retained Earnings	52,258,000	38,264,000
TOTAL CAPITAL ACCOUNTS	145,158,000	131,164,000
TOTAL LIABILITIES, RESERVE AND CAPITAL ACCOUNTS	\$3,037,727,000	\$2,787,063,000

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CRICKET

BY TREVOR BAILEY

YACHTING

BY ALEC BEILBY

RACING

BY DOMINIC WIGAN

Greig, the born competitor, New Zealanders win through takes over from Denness

AFTER ENGLAND'S annihilation by Australia last winter and their heavy innings defeat in the first Test at Edgbaston, the selectors had predicted a change of leadership was required. They have sacked Mike Denness and have given that job to Tony Greig.

It is right for me to pay a tribute to Denness, who though perhaps not technically equipped for office, not only did his utmost but always retained his dignity. He invariably gave his best which unfortunately was not quite good enough, a Ted Heath of the cricket world.

The new leader, Tony Greig, has one vital qualification for the post. The days of carrying a captain are long since past and it is essential that he must be worth his place purely on his ability as a cricketer.

Tony, along with Alan Knott and Derek Underwood must be a certainty for the England squad at Lord's. To this trio should be added the name of Gooch, who must be allowed

another opportunity, and five seamers, Snow, Arnold, Old, Hendrick and Woolmer, none of whom have any logical claim to the captaincy.

In addition to his proven pedigree as an international class all-rounder, Greig is a born competitor, who likes winning and hates all opponents until they are safely back in the pavilion. There are those who will say Sussex have hardly distinguished themselves under his command, but even a genius can hardly be expected to make a silk purse out of a sow's ear.

He will unquestionably captain England from the front, which is vital in this series. His two weaknesses are that first, he may be inclined to take too much on himself and secondly, although a charming person, on the field of battle he is distinctly abrasive, attracting incidents with the same regularity as fly-paper does to flies.

Presumably Greig and the selectors will decide to rely on the same basic attack and reserves chosen for the last contest and it is difficult to see many alternatives. Those who played did not perform badly and those who did not remain blameless, which leaves four batting slots, other than that of Gooch.

The two senior captains to one assume, he omitted which leaves Amis, who is in the midst of a horrid sequence of small scores against Australia and Fletcher, who in spite of his half century, hardly exuded confidence.

However, to give a new captain four inexperienced batsmen plus a novice is rather harsh and fancy that either Amis or Fletcher, or both, will be retained to give Greig some experience in his batting line-up.

Everyone will wish Greig success in the coming three Tests, but it is interesting to think that if South Africa had not been cast into the Test wilderness his appointment would never have occurred.

He undoubtedly would have been playing for the country where he was brought up and learned his cricket.

CONFUSION still surrounds Monday's opening race of the Quarter Ton Cup series being sailed from Deauville during the next nine days.

From a nightmare of wind and tide conditions the New Zealand yacht, 48 Degrees South, emerged victorious with her team-mate, Genie, second. But together with the poor showing of the nine British crews, these placings seem the only certainties.

The confusion arose when the 37-mile race finished in darkness so that the race officers were unable to distinguish the yachts as they completed the course. As a result, several British yachts were awarded placings that seem to have been selected at random.

The trouble started in the morning when the 43 competing yachts attempted to leave the new harbour through the lockgates. Unfortunately the 14th July is a national holiday and most Frenchmen with yachts in the harbour wanted to do the same thing at the same time.

The resulting confusion, collisions, shouting and pandemonium would have done credit

to a Jacques Tati film, but did little to help the unfortunate racing crews.

Once away the New Zealanders aboard 48 Degrees South seemed to be unbeatable and already well set to add this event to the Coupe de France which they won last week. This was the pattern of the race until the closing stages when, with darkness falling, there were, first, wind shifts and then calms.

Even now, almost a full day after the finish, the official results have not been published and tempers are frayed.

The best British boat was eventually Ken Wyllie's Minicrome, seventh, and Hobnail, 12th.

Happier

Today's race, sailed over a 20-mile Olympic course, was a little happier, but because of the 20-foot rise and fall of the tides, the start was again delayed.

The Swedish crew aboard the Elvestrom-designed Go, whose crew had to remove four inches from her mast at the week-end to satisfy the measurers, led for the first stages of the race, sailed in a fresh westerly breeze, but 45 Degrees South was in

DEAUVILLE, July 15.

hot pursuit and caught them at the second mark.

The best British yacht, Minicrome, was sixth at this point while Hobnail, perhaps our best hope, was a disappointing last but one.

With the wind threatening to drop again both crews and observers were this evening preparing for another late night.

Radio Lords urged by Peer

THE HOUSE OF Lords should be included in any future broadcasting of Parliamentary proceedings, Lord O'Neill of the Maine said yesterday. It was important that people realised that Parliament had a second chamber, he told the Lords.

Lord Shepherd, Leader of the Lords, said that the broadcasting of Parliamentary proceedings would be considered in the light of the experiment in the Commons. Any decision on future policy would be for both Houses and the broadcasting but 45 Degrees South was in

Bold and Fast looks a sound Redcar bet

BOLD AND FAST, who created such a highly favourable impression in Goodwood's Drawing Room Stakes last August, bids for his first success this year in today's valuable John Player Special Stakes at Redcar. I shall be disappointed if he fails.

John Dunlop's handsome half-brother, the Irish Bold Lad, to Covey, has not been out since he failed to finish out of the frame in the James Lane 2,000 Guineas Trial over seven furlongs at Kempton in March.

Nevertheless, he is reported to have been striding out particularly well in recent homework on the Arundel gallops and with this return to the minimum trip, which is almost certainly his ideal distance, the Duchess of Norfolk's colt appeals as a sound bet.

If Bold and Fast is not yet back to his best, either Peranka or Lazenby will probably come out on top. The first named, a winner at Wolverhampton and Sandown already this term, is well treated with only 3 st 9 lb. Lazenby, who carries 1 lb less, is on the upgrade judged by his

Dana's Return resume winning form in the Elton Stakes by outpacing Star Penny. Nagwa, a probable firm favourite for the Ayton Plate, may find Fighting Lady, an easy winner at Edin-burgh in a good time on July 7, just too good.

A year ago Lester Pigott had few problems on Peter Promit in Kempton's Charles Greenwood Plate and I anticipate another

win.

With Noble Game and Daniel both absentees from the St. James's Plate, the way seems clear for another of Pigott's mounts, that progressive Baldric II filly, Ticklish.

This lengthy French-bred bay found no difficulty in following up a comfortable Warwick success with a three-length victory over Peterhof, to whom she was giving 5 lb. in the 11-mile Swaffham Stakes at Yarmouth a fortnight ago. I do not envisage her being troubled by the additional two furlongs here.

Newmarket representative Sniffing Ship, giving him a winning ride in the corresponding event this morning.

Mr. Jim Mullion's good looking Ragusa filly showed signs of a return to her best two-year-old form when running on to take third place behind Raking Glass and Gypsy Tosses in the Park Top Handicap at Brighton early this month. The stiffer come here should suit her admirably.

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Rand Mines Limited

Gold Mining Company and Colliery Reports for the Quarter ended 30th June, 1975

(All Companies incorporated in the Republic of South Africa)

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London, EC1P 1AJ.

HARMONY GOLD MINING COMPANY LIMITED

ISSUED CAPITAL
R13 442 325 in 26 854 shares of 50 cents each
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH JUNE, 1975
ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARIES

	Quarter ended 30.6.1975	Quarter ended 30.6.1974	Quarter ended 30.6.1973
Gold milled (t)	30.6.1975	30.6.1974	30.6.1973
Gold produced (t)	1,374 000	1,274 000	1,274 000
Yield (g/t)	8.32	8.31	8.31
Revenue (R1 million)	25.21	25.21	25.21
Cost (R1 million)	10.21	10.21	10.21
Profit (R1 million)	15.00	15.00	15.00
Revenue (R1000's)	25 210	25 210	25 210
Cost (R1000's)	10 210	10 210	10 210
Profit (R1000's)	15 000	15 000	15 000
Revenue (R1000's)	25 210	25 210	25 210
Cost (R1000's)	10 210	10 210	10 210
Profit (R1000's)	15 000	15 000	15 000
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STOCK EXCHANGE REPORT

Equities stage a technical rally under lead of gilts
Share index up 7.2 at 312.7—Recovery in Stores

Account Dealing Dates

Option
First Declared Last Account
Dealings Dealings Date
Jan. 30 July 10 July 15 July 22
July 14 July 24 July 25 Aug. 5
July 28 Aug. 7 Aug. 8 Aug. 19
New time dealings may take place
from 9.30 a.m. two business days earlier.

Another strong performance by gilts led securities yesterday, helping equity markets stage a mainly technical rally. The FT 30-share index regained 7.2 to 312.7, after falling 22.1 over the previous three trading days.

A good demand for Gilts edged which was again concentrated mainly on the medium and long, left prices with further gains extending to a point. Rises in the shorts, however, were limited to 4, sentiment here being restrained to a certain extent by a tendency to switch to longer maturities. The Government Securities Index improved 0.8 to 101.05, only 1.27 off its March 20 peak for the year of 102.27.

The turnaround in the equity leaders was due largely to the closing of bear positions, gains being accentuated by a fairly acute stock shortage. Store shares, weakened recently by fears about profit margins, staged a good rally. Closing gains ranged to 14 and the FT-Actuaries index for the sector improved 4.3 per cent to 104.45. The general trend, however, was rather mixed and falls just had the edge over rises in FT-quoted Industrials. Official markings of 5.172 compared with 6.043 on Monday and 4.702 a week ago.

Gilts impressive

Higher interest rates in the U.S. proved no obstacle for Gilts-edged, which made further impressive gains. Early demand was substantial, particularly for longer dated issues, and a promising debut on Friday for the

new long "tap" Treasury 13 per cent, 1997, interest faded a little later, but before any positive reaction could set in resumed buying developed towards the close and in "after-hours" which left quotations at the day's best with fresh gains to 1.05533, was influenced by a stock shortage and rose a full point to 72.1. Shorter maturities began well but sentiment here was eventually dampened by switching longer and closing improvements were limited to 1. Corporations picked up the lead set by the main funds and rose a point in places.

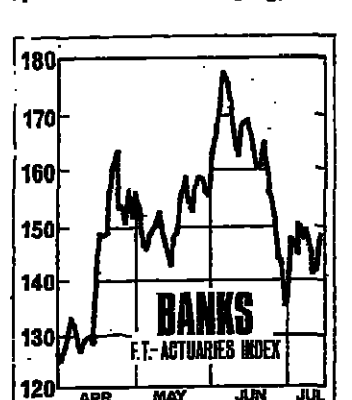
The pattern of trading in the investment currency market was repetitive of the previous day, increased late selling finding buyers shy and producing a fresh fall in the premium, which was finally 12 down at 85 1/2 per cent. Yesterday's S.E. conversion factor was 0.6389 (0.6238).

Home Banks rise

With the interim dividend season now only a week away, Home Banks staged an advance on small buying in a thin market before finishing a little below the day's best. National Westminster, the first to report with half-time figures next Tuesday, ended 11 up at 238p, after 230p. Similar net rises occurred in Barclays, 368p, Lloyds, 213p, and Midland, 238p. Bank of Ireland were also in firm vein, adding 10 at 320p. Australian Banks, on the other hand, continued the recent decline, with New South Wales ending 10 lower at 37p, and Shaxson, 3 up at 35p, provided the only movement in Discount Houses. Merchant Banks also barely stirred. Hambros managed to close 3 firm at 185p and Slater Walker New South Wales at 70p. The lines of Slater Walker Unsecured Loan stocks improved afresh in further response to the

company's proposed exchange offer: the 91 per cent, 1991-96 added 31 points more at 587 and the 61 per cent, 1997-2002, closed 11 higher at 593. Lloyds and Scottish were a dull exception in quietly firm Hire Purchases, closing 4 down at 56p, after 56p, in a thin market.

Composite Insurances picked up on moderate buying, with



General Accident improving 6 to 144p, Eagle Star 5 to 117p, and Commercial Union 3 to 133p. Life Offices mainly steady; Equity and Law ended 4 up at 134p following news of the first-half rise in premium income.

Breweries made a better showing, gains around 2 being marked against Allied, 63p, and Bass, 91p. Elsewhere, F. P. Bulmer responded to the results with a rise of 1 to 37p. HAT Group provided a minor feature in Buildings at 47p, 3, after a further consideration of the results and scrip issue proposal. Press comment on the annual report lifted Magnet Joinery 4 to 111p, while news of the proposed rights issue failed to unsettle Crossley Building Products, which closed 2 better at 56p. The

Australian-based A. V. Jennings was lower 8 to 88p, while reviving 10-day's results, M. L. Meyer ended a shade to 43p.

Up to 262p at one stage, ICI closed 5 better on balance at 252p. Fisons, at 300p, recovered 8 of the previous day's fall of 15.

Stores recover

After having fallen sharply recently on fears about profit margins, Stores made a good recovery and closed at or near the day's best following good business. "Gusset" "A" were popular ahead of tomorrow's preliminary figures, the Ordinary closing 7 up at 187p and the "A" 10 higher at 133p. Marks and Spencer rallied 9 to 105p and British Home Stores advanced 14 to 222p. Debenhams, 39p, and F. W. Woolworth, 44p, put on 2 apiece, while small buying raised UDS 4 to 78p. W. H. Smith "A" at 314p, recovered 6 of Monday's fall of 22, while Mothercare revived with a rise of 4 to 133p. Formstar were also wanted at 52p, up 5. Mail Orders shrugged aside the recent gloom and moved higher, Empire Stores and Gratian Warehouses both closing 4 to the good at 88p and 69p respectively. In Shoes, Wears, at 10p, recovered a penny of the previous day's fall of 3 caused by the trading loss.

Electrical leaders took a turn for the better in this trading conditions. Thorn Electrical closed 8 at 156p after a loss of the annual figures, expected to-day. EMI regained 5 at 175p, while GEC, 124p, and Plessey, 73p, managed to harden a penny apiece. Philips, 146p, however, came back in line with the earlier investment premium to finish 15 down at 720p. Secondary issues closed little altered, although In Shires, Wears, at 18p, recovered a reaction of 14, rebounded 11 to 300p in a thin market. The Engineering leaders

regained Monday's late losses, Bawker recovering 10 to 285p and GKN 7 to 222p; the former were not really influenced by the arrangements for a joint U.S. acquisition. Tube Investments rallied 8 to 622p, but most other rises were marginal. AFV were adjusted 5 higher to 185p, Birmingham Pallet picked up 3 to 43p and Tom Martin 2 more to 47p. Increased profits brought some comfort to Howden, 3 dearest at 75p, but Richardson, 25p, and Wright, 13p, were both unaltered after improved results. News of the good first-half caused Messitt to harden to 81p and Hampson Industries was similarly better at 81p following the record profits. Adverse changes were seen in Weyburn, 6 down at 210p, and Simon, 3 cheaper at 105p.

After the recent retreat on fears about the implications of the Government's economic package, Foods staged a modest recovery. Cavendish, 129p, and J. Sainsbury, 146p, picked up 5 apiece, while Spillers regained 2 at 58p. G. F. Lowrie continued rising 3 more to a 1975 peak of 25p on asset injection hopes. FMC also hardened 3 to 74p on the preliminary figures: the Monopolies closed 13 up at 128p, and British Sugar 8 higher at 333p. Clover Dairies, however, lost 6 to 62p. In Supermarkets, William Morrison hardened 2 to 80p on the chairman's statement at the annual meeting.

Ladbroke, at 145p, recovered 4 of the previous day's loss of 10. Trust Houses Forte firmed 3 to 102p, and Grand Metropolitan hardened 11 to 63p. Stancley, at 18p, closed 10 higher at 181p following the results.

"Bear covering" coupled with a little "cheap" buying in this conditions brought a substantial rally in the miscellaneous Industrials. Glaxo ended 13 up at 388p, after 382p, while Unilever held the day's best of 380p for a rise of 12. Improvements of 11 were secured by Beecham, 200p, and B&B, 195p. Rank Organisation "A" gained 6 to 133p in front of next Monday's interim results. Pilkington, 204p, after initially moving lower to 197p, ended 13 up at 209p, after 202p, both finished 4 firmer on balance. Wilkinson Match, on the other hand, closed 3 down at 115p in reflection of the profits setback. Elsewhere, Marks & Spencer, 124p, lost 1p, Thermal Syndicate 11 off at 20p, after 28p. National Carbonising retreated 4 more to 38p, while Alfred Cough recorded 15

to 85p in a thin market. Eridon, 25p, was 14 up and Feeder 21 to 21p. Favourable Press comment induced a gain of 3 to 202p in Thomas Marshall (Lestery) "A". De La Rue improved 7 to 181p and Waterford Glass 44 to 254p, while Hanson Trust hardened 3 to 130p and Black Arrow 2 to 14p. Among Overseas issues, Broken Hill Proprietary lost 25 to 675p on "down-under" advice.

Motors were steadier yesterday, but not that much better. Daimler closed unaltered at 47p, after 49p, while Lucas improved 2 to 115p. Mann and Overton made little response to the interim results at 44p, while AC Cars held steady at 49p after reduced first-half profits. British Leyland eased 3 to 21p for shares assembled to the Government's 10p offer.

Birmingham Post's proposed widespread economies and staffing reductions weighed heavily on the shares, which weakened progressively to close 8 1/2 down at the day's lowest of 18p. Newspapers otherwise were little changed but William Collins "A" in Publishers, fell 4 to 78p.

Leading Properties encountered modest support and recovered part of the recent loss ground. Land Securities, 179p, and M&P, 110p, both picked up 7, while Town and City Properties hardened 1 to 21p. Secondary issues closed on an irregular note. Peachey Property attracted buying in interest and improved 4 to 26p, while Albion London Properties put on 2 to 110p, both awaiting preliminary results due to-day. Great announced to-morrow. Great Estates gained 4 at 214p and Hammerson "A" 3 at 370p, while Chancery Securities put on 1 to 18p. Percy Britton, on the other hand, relinquished 5 more to 120p, and Fraternal Estates shed 11 to 5p.

Oils advance

A fresh upturn got under way in oil shares, renewed demand for fuelers in recent month. For this reason, trading was thin and "rises disproportionate to business: British Petroleum jumped to 532p before scattered U.S. offering brought the price back to 515p. Shell moved up 7 to 513p, after 515p. Burmah warmed to a small buying interest and improved 2 to 33p, but investment currency influences lowered Royal Dutch 4 more to 237p. The successful completion of a North Sea Thistle field well encouraged firmness in Trianon, 8 higher at 68p, after 70p, but the abandonment of a Netherlands Continental shelf well caused Oil Exploration to ease 2 to 67p. Ultramar followed the general trend with a

FINANCIAL TIMES STOCK INDICES

	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7
Government bonds.....	61.07	60.51	60.15	60.52	59.92	59.92	59.92	59.92	59.92
Fixed income.....	60.66	60.14	60.11	59.84	59.48	59.48	59.48	59.48	59.48
Industrial Ordinary.....	512.7	508.5	515.2	524.4	522.6	522.6	522.6	522.6	522.6
Gold Mines.....	365.1	370.8	367.5	372.1	369.2	369.2	369.2	369.2	369.2
Ord. Div. Yld. %.....	6.49	6.69	6.46	6.32	6.20	6.20	6.20	6.20	6.20
Earnings Yld. (Sp.).....	19.34	20.07	19.09	18.49	18.34	18.34	18.34	18.34	18.34
P/E Ratio (to 60).....	7.23	7.90	7.49	7.73	7.90	7.90	7.90	7.90	7.90
Dividends (marked).....	5,178	5,043	5,081	5,265	5,117	5,117	5,117	5,117	5,117
Equity turnover (x).....	—	41.76	61.89	53.77	69.05	69.05	69.05	69.05	69.05
Equity balances (x).....	—	15,768	15,796	15,819	14,683	14,683	14,683	14,683	14,683

10 a.m. 509.1 11 a.m. 509.2 Noon 509.7 1 p.m. 510.1
2 p.m. 511.4 3 p.m. 513.4
Latest Index 60-246 5055.
(a) Based on 32 per cent. corporation tax.
(b) ND=Not Data.
(c) 69.05, 1/79.

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INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London, Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the exchange.

Company	Price	Change
Alphacore Unit Trust Ltd.	10.00	0.00
Brown Shipley & Co. Ltd.	10.00	0.00
Gibbs (Antony) Unit Tr. Mgr. Ltd.	10.00	0.00
Legal & General Unit Trust Managers Ltd.	10.00	0.00
Mutual Unit Trust Managers Ltd.	10.00	0.00
Seabrook Unit Tr. Mgrs. Ltd.	10.00	0.00
Target Unit Tr. Mgrs. (Scotland) Ltd.	10.00	0.00

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New life business

Sums assured by Equity and Society's new business for the Law Life Assurance Society in the six months to June 30, 1975, records by a wide margin. Net totalled £43.3m, against £30.7m in the same 1974 period and £20.6m in 1973.

Annual premiums were £7.4m, (£5.0m and £15.9m) and single premiums £3.0m, (£1.4m and £2.5m)—both including annuity business.

National Mutual Life Assurance

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Is the Eurobond market rational?

It might be hard to swallow but it could pay borrowers in the Eurobond market to borrow in the most expensive currency and for investors to choose bonds with the lowest immediate yield.

How the Fed was converted to monetarism

Much economic theory is translated into policy just because it is fashionable. Was this the case in America? The rise of monetarism in Federal Reserve policy is traced.

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The international monetary situation

Why has Germany been so successful in its fight against inflation? What is the Bundesbank's view of the outlook for the world? Dr Emminger, Deputy Governor of the Deutsche Bundesbank, provides some answers.

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HOTELS—Continued[illegible]

"Recent Issues" and "Rights" Page 17

This service is available to every Company dealt in on the London and Continental Stock Exchanges throughout the United Kingdom for a fee of £225 per annum for each security.

Plan to outlaw price tags that mislead

BY ELINOR GOODMAN

WIDE-RANGING proposals which could outlaw misleading price descriptions and affect virtually every shop in the country, as well as many manufacturers, were unveiled yesterday by Mr. John Methven, director-general of Fair Trading.

The proposals, which are to be sent to interested parties for comment, as a first step towards legislation, would ban certain types of bargain offers outright and insist on far more detail being used in conjunction with other claims. Though hyperbole would not in itself be banned, any trader purporting to specify a level of discount would have to couch the price cut in certain standard terms.

Thus vague phrases like "4p off" could only be used in conjunction with figures showing both the old and the new, while bargain offers like "three for the price of two" would have to be accompanied by details of the unit price as well as the price for three.

Traders would, however, be able to continue using vague phrases like "best value" and "unbeatable prices" on the grounds that they do not mislead

the consumer into thinking a statement of fact is being made. If enacted, the proposals would bear most heavily on the grocery industry but they would also affect a whole range of outlets including garages, mail order operators and even street traders.

Presenting the proposals in London yesterday, Mr. Methven made it clear that he expected some changes to arise during the consultative period. There seems little doubt, however, that some new regulations will be introduced next year under the Order-making power of the Fair Trading Act.

Bargain offers, Mr. Methven said, were "at best confusing and at worst misleading." Nevertheless, the Office of Fair Trading stressed the value of price-cutting, particularly in present inflationary conditions, and had been at pains not to discourage legitimate price-cutting with their proposals.

Under the proposed new legislation, falsifying claims of discount, particularly in the case of goods which are not new, would become an offence with three specific types of claims which would be outlawed completely. Claims such as "worth half as much again" would be banned,

on the grounds that they specify a level of discount in relation to a purely subjective evaluation, while claims which refer to a maximum price reduction on a range would also be banned — "up to 50 per cent. off," for example.

The third type of claim to be banned would be those which relate a shop's prices to those in another unnamed shop — such as "half West End prices."

The significance of the proposals is not so much in the practices which it wishes to see banned outright but in the recommendations on how to tighten up on other claims. In many cases, retailers would have to display a great deal more information than at present and many shops might have to alter the way in which they express price cuts.

Interested parties have until September 30 to make their views known. Assuming the Office of Fair Trading still feels there is a need to legislate, the proposals will then be given to the Consumer Protection Advisory Committee which will advise the Government on whether or not to do so. Bringing back the bargain, Page 15

MPs pay rise may include pension increase

BY JOHN BOURNE, LOBBY EDITOR

IN THE Government's struggle to find a formula on MPs' pay which would not undermine its national policy of maximum 55-a-week pay increases — and yet be fair to MPs who have not had a rise for the past 31 years — the Cabinet yesterday spent much of its 2½-hour meeting studying ways of increasing Members' pension entitlements.

Because of the complexities of the subject, the expected statement to the Commons was delayed until this afternoon, when it will be made by Mr. Edward Short, Leader of the House. The Prime Minister will be in Brussels at the time.

The Cabinet's final formula is believed by many Labour MPs to include not only the pension element, but also a salary increase to take some account of the past 31-year "freeze," plus a new formula for accommodation and other allowances.

Also they are forecasting a Government undertaking that at a future date the whole controversial issue of their salaries will be removed from Lord Boyle's top salaries review body, and that MPs' pay will then be automatically linked in stages to that of one of the middle administrative grades of the Civil Service, to take MPs into the five-figure a year bracket.

The present Boyle Report, which will also be published today, is understood to have been found by the Cabinet to be unacceptable, for complete implementation in the present economic circumstances.

Mr. Short will also refer to Ministers' salaries. For some days Mr. Michael Foot, the Employment Secretary, has been urging the Cabinet to take a cut in its pay as an example to the nation.

An immediate salary increase of, say, between £1,000 and £1,500 would cause deep divisions among MPs, including those in the Labour Party. Yesterday some Labour MPs were complaining that the Boyle report recommended an increase to their current £4,500 a year was being deliberately scaled down by the Government.

However, others, on both the Left and Right wings of the Party, argued that the increase should be kept to the £5 figure. The Left argued that MPs should not be allowed to have more than manual workers and the Right said that anything more than £5 would endanger the whole credibility of the Government's wages policy.

Wilson promise to private employers

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE PRIME MINISTER, criticised for the pressures that will face private-sector employers under the Government's counter-inflation proposals, stressed in the Commons yesterday that "legislative action would certainly be taken if there was any concerted attack on the Government's £5 a week pay limit."

Mr. Wilson also confirmed reports about the "possibility of co-operative action among employers in this matter" — a reference to proposals that have been considered by the Confederation of British Industry for an insurance scheme to help businesses which stand up to strikers who demand more than the £5 limit.

There have been hints that such a scheme if formally proposed by the CBI in the future could be backed by a guarantee of Government funds. The proposal was mentioned in discussions between Ministers and the CBI before publication of the Government's counter-inflation White Paper, but was not developed.

In yesterday's Commons exchanges Mrs. Margaret Thatcher, the Opposition leader, demanded to know whether an employer who was driven out of business because he carried out Government policy on the £5 pay limit could expect any assistance from the Government.

Mr. Wilson made it clear that if the Government's policy was in danger Ministers would not hesitate "to take action of a legislative kind."

He did not know what would come out of the co-operative action among employers, "but if there is a concerted attack against the policy we have outlined the Government will not hesitate to introduce further legislation to deal with the situation," Mr. Wilson added.

The exchanges again highlighted the deep divisions within the Labour Party over the counter-inflation policy. Mr. Dennis Skinner, Left-wing MP for Bolsover, claimed it was a tragedy that the present Labour Government was "prepared to travel on the same dismal, dreary course travelled between 1966 and 1970."

The Government Bill enforcing various aspects of the counter-inflation policy will be published today or to-morrow. It will indemnify employers against contract obligations to pay more than £5 a week, prevent a company from raising its prices to pay for a settlement above £5 and provide powers to vary the amount of rate support grant to individual local authorities.

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NEU trust to examine new bid for FMC

BY STEWART FLEMING

THE BOARD of the Development Trust of the National Farmers' Union will be meeting this morning to examine whether to launch another bid for FMC following yesterday's report from the Monopolies Commission that a merger would operate against the public interest.

Following the report, both the NFU Development Trust and FMC issued holding statements. The NFU expressed its "delight" at the conclusions of the report and FMC regretted it, adding that "it remains to be seen whether or not the Trust will renew its bid."

FMC also released its trading results for the year to April 26, showing a rise in pre-tax profit from £3.6m. to £4m. The shares closed 3p higher at 74p.

The NFU Development Trust made its 65p a share cash bid for

the 59 per cent. of FMC it does not already control last October following the meeting which relations between FMC and its major shareholder were becoming increasingly strained.

In November Mrs. Shirley Williams, Secretary for Prices, referred the bid to the Monopolies Commission under the criterion that the assets being acquired were over £5m. At that time Mr. George Cattell, director general of the trust, said the organisation would fight the case and if the merger were cleared, would renew its bid for FMC.

The main conclusion of the Monopolies Commission report is that a merger between the trust and FMC "may not be expected to operate against the public interest."

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EEC foreign ministers split on timing of aid for Portugal

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, July 15.

EEC FOREIGN Ministers to-night expressed grave concern over the course of political events in Portugal, but could not agree on whether the time was ripe for the Nine to offer Lisbon urgent economic and financial aid.

The issue will now have to be passed up to the nine heads of government, who begin the latest of their regular EEC summit meetings here to-morrow afternoon.

Most of the Nine were to-night in favour of proposals to offer Portugal access to loans from the Community's European Investment Bank for specific development projects. Denmark, in particular, argued that Community support was essential to keep democracy alive in Portugal and that if the Nine did not act now it would be too late.

France, on the other hand, maintained that with the withdrawal of the Socialists from the Lisbon Government it would be wrong for the Nine to make an

offer until the situation had cleared. The French laid great emphasis on the need for the Community to continue dealing with Dr. Mario Soares, the Socialist leader.

The German view was that there was still hope for Portuguese democracy and that Community aid would help the democratic forces in Lisbon. Mr. James Callaghan, the U.K. Foreign Secretary, was expected to make the British view known when he arrives at the Council to-morrow morning.

Officials said Major Melo Antunes, the Portuguese Foreign Minister, is still likely to come to Brussels next Tuesday for a meeting with the Nine Foreign Ministers. It was thought, however, that he would want to know in advance if Nine aid was likely to be forthcoming, before taking a final decision on the visit.

Main issues for the summit, apart from Portugal, include energy, raw materials, economic

and monetary problems, and the future of the Community in the wake of the British referendum. On these points the Foreign Ministers are due to meet again early to-morrow morning to complete their preparations for the heads of government meeting.

The summit is generally expected to give broad approval to current moves to restart the stalled dialogue between oil consumers and producers and lay down general guidelines for a Community raw materials policy. On the economic front there are likely to be expressions of concern at the lateness of the international recovery and the failure of inflationary measures to bite in Germany.

In the monetary sector, President Giscard d'Estaing is expected to spell out his proposal for a monetary summit meeting

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Developments in Portugal, Page 6

Gorb to quit executive responsibility at Burton

BY SANDY McACHLAN

MR. PETER GORB, deputy managing director of Burton group, is to relinquish his executive responsibility with the chain store group at the beginning of September. He is to spend a year's sabbatical at the London Business School but will remain a member of the Burton Board. So far the company has made no move to fill his position.

Mr. Cyril Spencer, who runs the Peter Robinson and Top Shop side of the Burton empire, has been appointed a full director of the group. Previously he has been an alternate director.

There is little doubt that Mr. Gorb's move is partly connected with the criticism levelled at the Burton management by stockbrokers J. and A. Scrimgeour in a confidential report to selected clients in April. It is understood that Scrimgeour had been critical of the Burton policy of diversification while its top management was already stretched.

The period of acrimony which followed between the company and its critics was fairly short-lived and produced no visible results. However, it is now clear that Burton's management was forced to a careful appraisal of the situation which resulted in yesterday's changes.

Mr. Gorb made it quite clear yesterday that a re-examination of his position — which has been responsibility for long-term strategy — was his own idea. With everybody wanting profit now rather than to-morrow the thing obviously needed looking at," he said.

Mr. Gorb is part of the management team built up by the present joint chairman and managing director, Mr. Ladislav Rice, who joined Burton to strengthen the management after the Monopolies Commission blocked a proposed merger with United Drapery Stores in 1967.

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Sri Lanka 'plans tea takeover'

By Sandy Mcachlan

TEA COMPANIES in the U.K. are taking seriously reports of impending nationalisation of all British and locally owned plantations by the Sri Lanka Government.

The report, carried by the State-run Ceylon Daily News, quotes a Government spokesman as saying that the plantations would be nationalised with compensation.

Rumours of nationalisation of Ceylon tea interests have been around for some time, but previous official statements on the subject have come from the Ministry of Plantations.

This is the first time a Government spokesman is the secretary of the Ministry of Planning and Economic Affairs, which is headed by Mrs. Bandaranaike, the Sri Lanka leader, and this is sufficient grounds to convince the U.K. tea industry that the report is well-founded.

Around a quarter of Sri Lanka's 600,000 acres of plantations are under the control of U.K. companies, and they account for approximately one-third of the 450m. tons of tea which the country produces annually.

More than 80 per cent. of Ceylon tea is sold through Colombo, and less than 10 per cent. is traded in the London market.

Continued from Page 1

Jobless 'to rise to 1½m.'

It is believed that the original draft of the White Paper on cash ceilings for public spending was a good deal stronger before being toned down.

The intention now is to combine the established methods of "real terms" with one-year cash ceilings beginning in 1976-77. The ceilings will cover current spending on goods and services, as well as wages and salaries, but not the main transfer payments such as social security benefits.

The exact timetable is still to be decided. The likelihood is that individual cash ceilings will be announced by spending departments over the next few months. But the final picture may not be clear until the Financial Statement next Budget Day or just a little before.

Although there will be many areas not covered by individual cash ceilings, it is open to the Chancellor to announce a global cash limit for Government spending as a whole in his 1976 Budget.

Mr. Hesley is expected to say more about public spending in the economic debate next week. He may give hard information about his intention to hold the volume of public spending roughly constant between now and 1978-79.

The question which no-one can answer at this stage is what happens if cash ceilings run out on some or all Government programmes even though they are within the prescribed volume limits. The outcome will depend on political decisions to be taken at the time. In view of the employment outlook for 1978, the cash controllers may face a difficult struggle.

In practice cash ceilings are best seen as a technical device to prevent Government expenditure from being swollen by an increase in public sector pay or prices, which is unexpectedly fast in relation to the overall rate of inflation. This happened for example in construction in 1972. There is another school of thought which sees cash ceilings as part of an overall monetary approach to inflation; but this approach has so far made little headway.

THE LEX COLUMN Pilkington and inflation

Pilkington Brothers is a pace-setter in accounting standards, and its latest accounts include two important innovations which may well be a trail-blazer for the Sandilands report. These take the form of inflation-adjusted figures which are based on a combination of the CPP and replacement cost methods, and which identify the "unrealised" part of the gain on net monetary items.

Long an advocate of replacement cost accounting, the group is continuing to use this system for fixed assets and depreciation. Indeed, given the current rate of inflation it is considering whether its assets should be revalued more frequently than on a rota basis once every five years. The rest of the figures have been adjusted on the CPP basis, and the upshot is that fixed assets rise from their historic cost of £203m. to £303m. — which is a cool £22m. more than would have shown up under standard CPP.

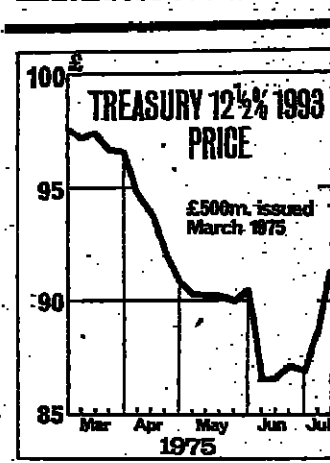
Similarly, published pre-tax profits rise from £23.4m. to £25.1m. — and would have been £24m. more on full CPP.

On monetary items, the group has included a £5m. net gain before tax and deducted a £3.7m. "unrealised gain on loan capital" below the line. The argument is that loan capital is used to finance fixed assets, and so the gains here are in no way distributable. It is possible to criticise the way that the Pilkington treatment implies that this gain is not attributable to shareholders. And elsewhere it may be argued that if the logic of the replacement cost treatment is accepted for fixed assets, it could also be used for stocks. But this is still a laudable effort to combine the best of both systems.

So much for the accountants. Shareholders may be more interested in the continuing balance sheet strengths after a year in which short term debt rose by £22m. Their equity interest is £265m. on the adjusted basis, and gearing remains negligible. Licensing income, £15.5m. last year, is back on an upward trend and although operating profits in the first half will be nothing to shout about, there are now signs of firmer prices around the world. The market capitalisation is £123m. at 204p, and the recent strength of the shares has been well based.

Hawker/Onan
Hawker Siddeley's prospective purchase of a stake in Onan Corporation represents its first

Index rose 7.2 to 312.7



major move into the U.S., and basically amounts to the re-investment of the \$40m. received from the de Havilland Canada sale plus up to \$10m. of borrowings — depending upon how close the group gets to its target of a 50 per cent. stake in Onan.

Hawker sees this as the best way into the potentially lucrative U.S. diesel market — at present 75 per cent. satisfied by imports — and it acquires a large dealer network as well as manufacturing facilities and a product range which can be upgraded through applying U.K. diesel technology. It is reckoned that the future growth of Onan will be financed in the U.S., out of earnings and borrowings.

Plainly this is an easier method of entering the U.S. than via a greenfield operation, though Hawker at \$32.50 a share is paying a high premium over the recent run-up to \$25 or so. On price, Hawker can argue that a p/e of 11 is reasonable and its own earnings stand to gain around 51m. (or 4 per cent.) compared with keeping the cash on deposit. The trickier problem may be the future relationship with Studebaker-Worthington, vendor of most of the shares and an equal partner with Hawker from now on. If this U.S. venture is anything like as successful as some of the projections for the U.S. diesel market suggest may be possible, buying control at some future stage could prove expensive.

Wilkinson Match
The disposal of the bulk of Wilkinson Match's loss-making chipboard and wood interests came too late to be of any real help to 1974-75 profits and the £2.4m. downturn here accounted for over half the 31 per cent.

drop to £7.76m. In the group pre-tax total. At the pre-interest level, the other divisions were marginally up. A £1.18m. decline in match profits was offset by advances in printing and packaging, especially in South Africa, and in safety and protection.

Interest charges were £1.4m. higher, but the increase in borrowings over the year to the end of March is apparently not as sharp as seemed possible in January. The total has dropped since then partly for seasonal reasons and also because of the disposals, which produced a net reduction in debt of nearly £8.5m. by the year end. So the overall net cash outflow for the year was probably only £5m.

There is obvious recovery potential this year in the absence of losses of nearly £500,000 in the companies sold and with the match side expected to pick-up thanks to firmer worldwide prices. But while the group has cleared away much of the non-consumer product side, it has hardly so far fulfilled its ambitious merger rationale — and this falling has been reflected in the current rating. At 115p, the yield is 9.4 per cent.

FMC
The Monopolies Commission has not ruled against a merger of NFU Development Trust and FMC, but the upsurge in the stock market over the past six months is not going to make it easy for NFU to bid again. Last October NFU put up 65p a share which represented a premium of 66 per cent. over the FMC pre-bid share price, but for the Monopolies intervention. However, NFU had to borrow £2m. at a cost of £4m. annually to make its offer, and last night FMC closed 3p higher at 14p.

Elsewhere, the Monopolies report spells out FMC's limited share of the slaughtering market (just under a tenth of cattle and sheep) as well as the group's liquidity pressures. FMC has had a rights issue "constantly under review" by Mr. Gorb.

Group net borrowings at May 1974 totalled £8m., against tangible shareholders funds of £9.8m.; and returns on capital employed over the five years to 1973-74 have averaged 13½ per cent.

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